FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Central Eurasia

FBIS-SOV-96-002
Wednesday
3 January 1996

Daily Report
Central Eurasia

FBIS-SOV-96-002 CONTENTS *3 January 1996*

NOTICE: An * indicates material not previously disseminated in electronic form.

DUMA ELECTION ISSUES

Regional Activities

Legislation 'Expert' Discusses Votes in Provinces *[EKSPRESS-KHRONIKA 29 Dec]* 1
Probity of Election Campaign in Orel Questioned *[EKSPRESS-KHRONIKA 22 Dec]* 2

Commentary

Gaydar Warns Against 'Fragmented' Democratic Forces *[PRAVDA 29 Dec]* 3
Reasons for Communists' Election Victory Analyzed *[EKSPRESS-KHRONIKA 22 Dec]* 4
Daily: Election Results Show Opinion Poll Flaws *[TRUD 27 Dec]* 4

RUSSIA INTERNATIONAL AFFAIRS

Russians To Join UN Civilian Police in Bosnia *[ITAR-TASS]* 6
Iran Negotiating Purchase, Manufacture of Planes *[ITAR-TASS]* 6
German Minister: Germany Must Back Russian Reforms *[ITAR-TASS]* 6
Former KGB Officer Discusses Polish Leadership Scandal *[Moscow NTV]* 6
    Links to Polish Premier Denied *[INTERFAX]* 7
Vladimir Zhirinovskiy Interviewed on Poland, Policies *[Poznan WPROST 31 Dec]* 8
Gen. Semenov on E. Europe, Baltic States Joining NATO *[INTERFAX]* 9
Demarcation of Russian-Mongolian Border Completed *[ITAR-TASS]* 9
Yeltsin Lifts Customs Controls at Kazakhstan Border *[ITAR-TASS]* 10
Cessation of Oil Supplies Threatens Czech Refineries *[ITAR-TASS]* 10
Implementation of Oil-for-Sugar Deal With Cuba Begins *[FINANSOVYYE IZVESTIYA 26 Dec]* 10
Russian Deal With French Oil Company Examined *[IZVESTIYA 23 Dec]* 11
Chernyshev Hopes Russians Will Be Freed by Taleban Soon *[INTERFAX]* 12
Article Views Fate of Defectors From DPRK in Russia *[Hamburg DER SPIEGEL 1 Jan]* 12

RUSSIA NATIONAL AFFAIRS

Political Issues

Yeltsin Working on Documents, Studying 1995 Results *[ITAR-TASS]* 16
Yeltsin Signs 1996 Budget Bill Into Law *[ITAR-TASS]* 16
Leading Officials Reveal New Year Hopes *[ROSSIYSKIYE VESTI 30 Dec]* 16
Kozyrev Takes Christmas Vacation in Moscow Region *[INTERFAX]* 18
Zyuganov Rejects NATO Expansion, Backs USSR Revival *[Prague PRAVO 27 Dec]* 19
Article Criticizes Budget's Aim To Maintain Government *[FINANSOVYYE IZVESTIYA 26 Dec]* 20
Council for Foreign Policy To Help Foreign Ministry *[INTERFAX]* 23
Polls Indicate Russians Favor Union State *[SOVETSKAYA ROSSIYA 30 Dec]* 23

Military Issues

Power Ministers Halt Draft Alternative *[EKSPRESS-KHRONIKA 29 Dec]* 25
Lack of Funds Said To Imperil Air Force, R & D Efforts *[FINANSOVYYE IZVESTIYA 28 Dec]* 26

Regional Affairs

Chechnya Reportage: Humanitarian Aid, Military, Politics 27

  - Humanitarian Aid to Chechnya Continues *[Radio Rossii]* 27
  - UNHCR Steps Up Refugee Operation *[AFP]* 27
  - Chechens Seen Opposing Stronger Militants *[INTERFAX]* 27
  - Meetings Between Opposing Sides 'Encouraging' *[ITAR-TASS]* 27
  - Better-Trained Reinforcements Replace Troops *[ITAR-TASS]* 28
  - Validity of Election Results Questioned *[EKSPRESS-KHRONIKA]* 28
  - Zavgayev on Elections, Field Commanders *[Moscow Radio]* 28
  - Zavgayev Favors Spring Elections *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 29
- Novaya Zemlya Designated Radioactive Waste Site *[INTERFAX]* 29
  - Further on Nuclear Waste Site Plans *[Moscow NTV]* 29
- Tyazhlov Reelected as Moscow Region Governor *[Moscow Radio]* 29
  - Elections for Governor Deemed Valid *[ITAR-TASS]* 30
- Novosibirsk Oblast Election Results Reported *[VECHERNIY NOVOSIBIRSK 27 Dec]* 30
  - Mayor To Resign as Result of Mukha Win *[VECHERNIY NOVOSIBIRSK 27 Dec]* 31
  - Politicians Comment on Mukha Win *[VECHERNIY NOVOSIBIRSK 26 Dec]* 31

Economic Issues

- Chubays Says Efforts To Stem Inflation Successful *[INTERFAX]* 32
- Finance Crisis Could Trigger 'Catastrophic' Scenario *[FINANSOVYYE IZVESTIYA 28 Dec]* 32
- Central Bank Backs Action Against Currency Control Body *[FINANSOVYYE IZVESTIYA 28 Dec]* 33
- Ministry Seeks Funds To Improve Exports' Structure *[FINANSOVYYE IZVESTIYA 26 Dec]* 34
- Year-End Foreign Exchange Operations Slow Down *[FINANSOVYYE IZVESTIYA 26 Dec]* 34
- Norilsk Nickel Combine To Sell Shares on U.S. Market *[FINANSOVYYE IZVESTIYA 28 Dec]* 34
- Agreement With De Beers Seen as 'Tricky' *[FINANSOVYYE IZVESTIYA 28 Dec]* 35
- Expanded Powers of Tax Police Examined *[ROSSIYSKAYA GAZETA 27 Dec]* 36

UKRAINE

International Affairs

- INTELNEWS Previews Defense Secretary Perry's Visit 38
- Official Calls U.S. Disarmament Aid 'Inadequate' *[AFP]* 39

National Affairs

- Kuchma's New Year Address to Nation *[UKRINFORM]* 39
- Foreign Minister Reviews Achievements in 1995 *[HOLOS UKRAYINY]* 40
- Communist Regional Representatives Seek Return to Past *[EKSPRESS-KHRONIKA 22 Dec]* 42
- UNA-UNSO Reshuffle, Warns of 'Possible Civil War' *[ZA VILNU UKRAYINU 26 Dec]* 42
- Commentary on Agreement With G-7 on Nuclear Plants *[MOLOD UKRAYINY 28 Dec]* 43

Economic Issues

- National Bank Official Interviewed on IMF *[INTELNEWS]* 44

CENTRAL ASIA

Kazakhstan

- Nazarbayev Views Reforms, CIS Future, Trade *[Sofia TRUD 28-29 Dec]* 47

CAUCASUS

Georgia

- Defeated Right-Wing Parties Form Coordination Council *[THE GEORGIAN TIMES 20-27 Dec]* 50

Commentary Assesses Appointment of New Ministers *[THE GEORGIAN TIMES 20-27 Dec]* 50
Security Ministry Exposes Fraud, Torture *[Tbilisi Radio]* 51

BALTIC STATES

Estonia

President Meri Gives New Years Address *[Tallinn TV]* 53
Premier Vahi Looks Back on 1995 *[Tallinn Radio]* 54
SONUMILEHT Interviews Premier on New Year *[ETA]* 54
Premier Downplays Differences Within Coalition *[Tallinn Radio]* 54
Foreign Minister Supports Referendum on Joining EU *[BNS]* 55

Latvia

Premier Views Economy in New Year's Address *[ITAR-TASS]* 55
Riga To Ask Russia To Explain Chechen Claim *[Riga Radio]* 55
Finance Minister on Budget Issues *[Riga Radio]* 55

Lithuania

President Brazauskas Delivers New Year Address *[Vilnius Radio]* 56
Seimas Adopts Decision on Banking Crisis *[Vilnius Radio]* 56
    Prime Minister Denies Intention To Resign *[Vilnius Radio]* 57
    Call For Government Reorganization *[INTERFAX]* 57
Foreign Minister Previews Aims of Talks With Russia *[INTERFAX]* 58

Regional Activities

Legislation 'Expert' Discusses Votes in Provinces

MM0201164596 Moscow EKSPRESS-KHRONIKA in Russian 29 Dec 95 p 2

[Interview with Aleksandr Sobyanin, "an expert in the field of election legislation," by Artem Fedorov; place and date not given: "How Was the New Duma Elected?" — received via Internet; first two paragraphs are EKSPRESS-KHRONIKA introduction]

[FBIS Translated Text] The elections have been and gone. Their results shocked some people and left others indifferent. I do not know whether there is any sense in discussing at the present time how wisely Russians acted in voting 17 December for the old party nomenklatura and that loudmouth, Zhirinovskiy. Time will be the arbiter.... However, the blame for the misfortunes which the disproportionate majority of the new Duma promises us lies not only with the undiscerning voters but with those who, through incompetence or malevolence, "helped" them choose this scum.

In a country with an underdeveloped democracy such as Russia, violations of citizens' electoral rights are a typical phenomenon. One can only guess as to the real scale of such violations during the 17 December vote. But where do the roots of the problem lie? I asked Aleksandr Sobyanin, an expert in the field of election legislation, to answer this question.

[Sobyanin] We are perfectly aware that two years ago independent monitoring of the elections in many regions of Russia, especially in medium-sized and small cities and in rural areas, was practically nonexistent. In 75 percent of polling stations there were no monitors. This is not idle conjecture but objective fact. According to the official Central Electoral Commission figures, the total number of observers present at polling stations in 1993 was around 50,000 (there are more than 100,000 polling stations in Russia); moreover, in the major cities two or three or even more observers were present at one and the same station. During the recent elections the situation in this sphere was even more acute. By the final leg of the election campaign neither the candidates nor the parties had sufficient resources left to organize monitoring at the polling stations.

Unfortunately, the present laws mean that independent observers are effectively given no opportunity to attend the polling stations. Formerly, any labor collective could send however many observers it liked to however many polling stations it liked. Now only the parties and the candidates can do so, but the overwhelming majority operate exclusively in the oblast centers. Hence, only very energetic and active people, who moreover have the money to provide transport to and from the oblast center, can attend polling stations. [Sobyanin ends].

[Fedorov] It is not hard to imagine the consequences of the absence of election monitoring. At the very beginning of our conversation Mr. Sobyanin pointed out several "anomalies" which occurred on polling day, 17 December. One of these was the variable pace of vote counting in Russia's various regions. Thus in medium-sized and small cities, and also in rural areas, the vote was counted far more quickly than in the major industrial centers. How is this to be explained?

[Sobyanin] When there are no observers at a polling station, and the top dogs are pestering the tellers on the telephone — "Hurry up and give us the results!" — the votes are not really counted. Simply, figures which look plausible are recorded in the official record. Sending his subordinates home, the precinct commission chairman takes the record with these figures to the territorial electoral commission at the rayon center.

[Fedorov] How is it possible to determine the results of the ballot "by eye"?

[Sobyanin] It is very simple. First, the precinct commission chairmen are instructed that some local candidate whom it is very important to "help" is standing in the district. In this way they have a fairly good idea whom to ascribe the lion's share of votes to in a single-seat district. As for the federal lists, knowing in advance that no one will be surprised if the majority of votes are cast for the Communists or Zhirinovskiy, the precinct commission chairmen allot them these votes. We conducted a small experiment. We took the official data for individual Russian Federation components. Analyzing the information, we found that one common factor applied to virtually all the electoral associations: When the number of voters coming to the polls increased, the number of people who voted for these parties did not increase. But the number of votes cast for the Communists and the LDPR [Liberal Democratic Party of Russia] did increase. That is to say, an increase in turnout from, say, 50 to 80 percent occurs only as a result of voters voting either for the CPRF [Communist Party of the Russian Federation] or the LDPR. Such an anomaly requires investigation.

[Fedorov] Which of the powers that be is interested in seeing the majority of votes distributed between the CPRF and the LDPR?

[Sobyanin] It is a secret to no one that the leading cadres at the lower levels of power in our country have been virtually untouched by perestroyka. The greater part of the local bureaucracy is extremely discontented with the reforms taking place in Russia, and looks for any suitable occasion to turn the clock back. It has the political interest and incentive to help left-wing and left-nationalist forces at the level of the local authorities, which effectively hold the elections in the districts.

[Fedorov] If the aforementioned facts are confirmed, what measures should be adopted?

[Sobyanin] We appealed to deputies at the last session of the State Duma to adopt at least one of the articles of the draft law "On Independent Monitoring" — the article "On Supervised Recounting of Votes." According to this article, a supervised recount should be held at 1 percent of polling stations, chosen by lot. If it turns out that the number of ballot papers cast for any candidate or electoral association does not correspond to the figures entered in the official record, a further 5 percent of stations are to be checked. In the event that the scale of the discrepancy is greater than the percentage difference between the winning candidate or party and the candidate or party in second place, the result of the ballots are to be annulled without further recounting. The majority of State Duma deputies supported this amendment but were unwilling to include the question on the agenda at the final session.

[Fedorov] Does this mean that, however many violations of the law there are during voting, the results will still not be annulled?

[Sobyanin] I rate the probability of the ballot results' being annulled as exceptionally small. The problem is that any protest makes sense only before the adoption of the relevant decrees on the election results, before the deputies have been allocated their seats and before the new Duma has assembled for its first session. And we see that the counting of votes is proceeding extremely slowly. This also provokes a host of questions. Obviously the Central Electoral Commission and the federal authorities are waiting to see how public opinion reacts to the results of the vote. If society accepts them placidly, there will be no revision of the vote.

[Fedorov] Sad to say, it would appear that that will be precisely the case.

Probity of Election Campaign in Orel Questioned

MM0201152596 Moscow EKSPRESS-KHRONIKA 22 December 95

[Article by Emmanuil Mendelevich: "Elections in the 'Red Zone'"]

[FBIS Translated Text] The outcome of the elections in Orel Oblast, which has some of the safest seats in the "Red zone," was known in advance, so the conduct of the authorities in these conditions is more interesting than the actual results. The election campaign demonstrated the Communists' total confidence in their own impunity. The "Red zone" certainly threw all caution to the wind. No one remembered the legal provision stipulating when the election campaign could begin: Oblast newspapers were concerned with nothing else, and Communist leaflets swamped the city of Orel even before election funds had been formed. Demands by independent observers that the oblast electoral commission request reports on the financing of the elections, as required by law, were insolently ignored.

However, there is no point in talking about insolence: It has become the norm.

Officials had no qualms whatsoever. One member of the oblast press committee appeared on television to attack all blocs apart from the Communists. On the eve of the elections, the oblast electoral commission published an "Elections" anthology which flaunted Communist Party documents among the official directives.

The election campaign in Orel had several noteworthy features. Almost all candidates on the party lists conducted no campaign whatsoever (unless they were also candidates in a single-seat electoral district). Their names were not even published in the local press. The only way voters could find out who they were was from the ballot paper.

Vyacheslav Golenkov, a candidate from Russia Is Our Home and rector of a machine-building institute, whose students plastered his placards all over the city, never once mentioned that he belonged to Chernomyrdin's bloc.

To all intents and purposes, Russia's Democratic Choice conducted no election campaign at all. I counted only a few isolated placards, although there has long been a Russia's Democratic Choice branch in the city. Moreover, the Russia's Democratic Choice representative inexplicably failed to take part in any television debates — which many interpreted as political weakness. Not without reason, people in Orel began saying that those opposed to the Communists were acting in favor of the Russian Federation Communist Party.

The local press played the most pitiful role in the election campaign. Rayon newspapers simply refused to publish anything by candidate Nikolay Yudin, close to Russia's Democratic Choice, on the grounds that "his stance does not correspond to the stance taken by our newspaper." And that was in writing, on an official form! ORLOVSKAYA PRAVDA cut the section in Yudin's article where he mocked Governor Stroyev's attempts to present himself as a charismatic figure. The editorial office evidently thought the word "charismatic" was abusive.

But even against this background, journalist Yuriy Lebedkin (well known in Orel for his extremely reactionary communist views) outdid everyone. He published an article against one of the candidates in ORLOVSKAYA PRAVDA — which, as a member of the oblast electoral commission, he had no right to do. Several observers immediately demanded that Lebedkin be removed from the commission, but its chairman, Anatoliy Trofimov, refused to respond to their request, while oblast duma chairman Nikolay Volodin (who did not even have the right to vote at the session in question) simply declared the demand "illegal." The opinion of the former oblast committee first secretary was accepted without hesitation.

Foreign observers — the Luxembourg ambassador and his attache — were present in Orel on polling day. I do not know whether they expressed the wish to meet anyone apart from the authorities, but they certainly did not mix with anyone else; they did not even introduce themselves to other observers. So much for the famous "international monitoring."

A few days later, Ryabov announced that the elections had been a success everywhere. A success for whom? For Russia?

Commentary

Gaydar Warns Against 'Fragmented' Democratic Forces

AU0201133096 Bratislava PRAVDA in Slovak 29 Dec 95 pp 1, 16

[Interview with Yegor Gaydar, leader of Russia's Democratic Choice, by Felix Alexejev in Moscow; date not given: "Yegor Gaydar: Are We Going To Have a Choice Between Zhirinovskiy and Zyuganov?"]

[FBIS Translated Text] If, until 17 December, anyone had lived under the illusion that the retrograde red wave that swept across the countries of East Europe would not hit Russia, the results of the recent parliamentary elections must have had a sobering effect on him. In Russia, this wave was even more powerful and dangerous than in the rest of East Europe, says Yegor Gaydar (39), leader of the electoral bloc Russia's Democratic Choice. According to the former deputy prime minister, who is viewed in Russia as an "extreme" democrat and reformer, the recent elections demonstrate to what ends the irresponsibility of politicians concerned only about their ambitions, without regard for the consequences, leads. It was precisely because of such behavior that the democrats lost part of the electorate, Gaydar stresses, whose electoral bloc fell 1.1 percent short of the 5-percent parliamentary threshold. Russia's Democratic Choice will thus be represented in the new State Duma by only the nine deputies who won seats in single-mandate constituencies.

[Alexejev] Do you also consider the recent Polish presidential elections to be part of the retrograde communist wave that you mentioned?

[Gaydar] Yes, they also belong there, although Polish postcommunists have nothing in common with the present Communist Party of the Russian Federation, except, of course, for their common heritage. But the very substance of the process of the retrograde communist wave is common to Russia and Poland. It is a reaction to the extremely difficult, though inevitable, changes that began on the ruins left by the collapse of the communist system.

[Alexejev] Prognoses can be heard in Russia suggesting that the balance of forces in the new State Duma will force President Yeltsin to move closer to the Communists. Do you, too, expect such a development?

[Gaydar] Naturally, the president will determine his positions himself. In my personal opinion, however, the wisest thing that he can do is to carry out as consistently as possible the policy of reforms and stabilization, making use of his wide-ranging powers. In the last few years, the president has committed a series of mistakes that, in my opinion, have seriously affected the process of building democracy in Russia. The war in Chechnya is the most typical example. Particularly regrettable is the fact that the year 1994 was wasted. At that time I repeatedly warned Yeltsin, orally and in writing, that reforms in the most important areas must be carried out consistently and even harshly.

[Alexejev] Given the present situation, is it realistic for the democratic forces to contest next year's presidential elections with a common candidate?

[Gaydar] The most important current task is to see to it that the democratic forces do not go into June's presidential elections so inappropriately, even provocatively, fragmented. In my opinion, it will not be expedient for Russia's Democratic Choice to propose its own presidential candidate. If the democrats do not unite, in the second round of the presidential elections they could end up facing a choice between Mr. Zhirinovskiy and Mr. Zyuganov. I sincerely hope that the sense of responsibility will prevail in the ranks of the moderate democratic blocs that overcame the 5-percent barrier — Prime Minister Viktor Chernomyrdin's Russia Is Our Home and Grigoriy Yalinskiy's Yabloko — and they will manage to agree on cooperation, particularly in proposing joint candidates for president and prime minister, and on a common program of reforms. Who should these joint candidates be? I do not want to anticipate decisions and speak about specific names today.

[Alexejev] What do you think about the Communists' demand in their program for the abolition of the Belovezh agreements [on the disbanding of the Soviet Union] and their plan to restore the Soviet Union on a voluntary principle?

[Gaydar] Let me recall that the Communists have repeatedly voted for the abolition of the Belovezh agreements. They even voted for a State Duma resolution on the restoration of Russia within the borders of the USSR. In my opinion, it is scarcely conceivable to imagine greater political adventurism than such calls for the restoration of the USSR. Allow me to quote the statement of someone whom I definitely cannot call my ideological soul mate: "He who does not feel sorry over the demise of the Union lacks a heart. He who hopes to revive it lacks a brain."

Reasons for Communists' Election Victory Analyzed

MM0201161296 Moscow EKSPRESS-KHRONIKA in Russian 22 Dec 95 p 1

[Article by Natalya Khmelik: "Does There Necessarily Have To Be a Shock After the Elections?" — received via Internet]

[FBIS Translated Text] The scheduled elections have taken place in Russia. A significant proportion of voters are once more in a state of shock. This time due to the Communists' victory. However, to expect any other result in these elections would be to once more entertain vain hopes of Russia taking a "special course." The election results in all post-communist states are well-known and disconcerting to supporters of the idea of democracy. The Communists' victory in elections in these countries, and now in Russia, is not surprising — people who for many years were essentially brought up to lead a parasitical life (receive a guaranteed wage for who knows what work; think in a manner foisted on them by various ideological departments; and realize that people who "know better" than themselves will any make choices for them), have found themselves in a situation where they have to answer for themselves. Where they have to seek work for themselves, decide for themselves where to invest their money, earn this money themselves, and not expect that if you work in a haphazard manner you will still get paid something. At first many people actually liked this, but with time they began to realize that now they would have to live like this all the time. Then they began to long for the past. And all they remembered were the good points. What is more, under the Communists they were all somewhat younger....

The question now is: To what degree are these people, who until now have considered themselves to be in the democratic camp, ready to reconcile themselves to the communist victory and once more live "under them." We lived with a communist Supreme Soviet until 1993 and the orientation of the majority of deputies, of course, hindered the democratic transformations in the country, but they were unable to stop them. Most likely because the citizens of Russia, who had not yet forgotten the bright communist past, wanted reforms and were striving to change their lives. Have they enough strength today and do they still remember?

I should point out that the election results in Moscow and St. Petersburg differed considerably from those of the rest of Russia. I think that there is no point in explaining the democratic organizations' success in these major cities with reference to the high level of political literacy of their residents. There is a much simpler explanation — Russian business is today actually concentrated in these very cities, meaning that people here have a real opportunity to work and earn as proclaimed by the reformers. In other regions, especially where only one sector has been developed over many years, people's employment opportunities are seriously limited.

The presidential elections lie ahead. Their result depends to a large extent on how the deputies of the new State Duma act. Not so much within the Duma itself but in the country at large. Six months is, of course, an insufficient period of time in which to radically improve the situation, but quite a lot can be done during it. If, say, "Yabloko" supporters succeed in developing small business in the provinces and at the same time explain to voters who will help them to put their lives in order and who will stand in their way — the presidential election results will not be so unfortunate.

The elections have taken place. What is required now from the deputies is for them to work in a professional manner. We will very soon see whether they are capable of this.

Daily: Election Results Show Opinion Poll Flaws

MM0201160596 Moscow TRUD in Russian 27 Dec 95 p 1

[Article by Olga Solomonova under the "View of the Situation" rubric: "It Is Time To Understand Russia With Our Minds"]

[FBIS Translated Text] The preliminary results of the elections to the State Duma in respect of the federal list in all 225 electoral districts were as follows: The Communist Party of the Russian Federation [CPRF] — 22.31 percent of the votes; the Liberal Democratic Party of Russia [LDPR] — 11.06 percent, "Russia Is Our Home" [NDR] — 9.8 percent, and "Yabloko" — 6.93 percent.

Sociological forecasts are as alluring as they are thankless, particularly in our country. For instance, the 1993 elections brought the LDPR to the Duma with such success that many forecasters were flabbergasted. Had they underestimated Zhirinovskiy's charisma or the degree of social irritation of masses of people (whereby they vote not so much "for" as "against"), or else overestimated the level of political awareness of the Russian voter?

Of course the element of chance always exists in life, and the political roulette of the elections increases this chance.

So what surprise did these elections bring? The majority of political scientists and sociologists predicted that between five and eight or even more blocs and parties would get through to the State Duma, and meticulously gave them particular percentages of the electorate's votes. Whereas back in October Vyacheslav Nikonov, for example, was maintaining that given that there are tens of participants, only four participants can overcome the 5-percent hurdle. And that is what happened. We can put this down to the special features of the proportional system, which for some reason were evidently not taken into account by many other academics.

For the sake of fairness, I would note that one forecast accurately hit the mark. Practically everyone gave the lead to the CPRF. The degree of the shift to the left in public opinion was assessed in different ways, but nevertheless it was assessed fairly close to the reality.

But the political scientists again overestimated the critical attitude of the electorate to the LDPR and its ironic attitude toward its eccentric (to put it mildly) leader. That is why the first results of the voting in the Far East and a number of areas in Siberia, where the LDPR led, totally bewildered many people.

"I respect the monstrous choice of my people," Mikhail Zhvanetskiy joked sadly on this subject. What else is there to do but respect it?

Of the 15 or so political scientists whose forecasts were published in KOMMERSANT, only Vyacheslav Shostakovskiy predicted that the LDPR would be one of the four leading parties and even then it would be in last place.

The other oracles assessed the Zhirinovskiy-ites' chances as follows: No more than 8 percent; hovering around 5 percent; and, according to certain forecasts (S. Karaganov, director of the Russian Academy of Sciences Europe Institute), they were not expected to get into the Duma on the federal list at all.

It is indubitably a hundred times easier to assess the accuracy of forecasts than make them. For instance, in the poll carried out last summer by the Russian Academy of Sciences Sociology Institute ("Sotsioekspress" Center) in 12 regions of Russia, the answers to questions about parties and their leaders were clearly contradictory. For example, speaking about confidence in and sympathies toward parties, the respondents put the LDPR in fifth place out of 15, whereas in the next question they expressed "the greatest lack of confidence" in the LDPR.

Superficial analysis here can provide a result which will later in practice turn out to be the complete opposite of the real choice of the electorate. Who takes the psychology of the masses into account in their forecasts and ratings, and how do they do so?

How many times have we seen Skokov, Lebed, and Glazyev marching along shoulder to shoulder on the television screens? Political scientists predicted fourth or even third place for the Congress of Russian Communities [KRO] at the December elections.

I think that the "success" of the KRO and "Women of Russia" is a graphic indicator showing us how much we can trust sociological polls at all today.

It stands to reason that serious sociological research requires a great deal of money, which scientists do not have. But the demand for this "output," particularly in a period of elections, is very high. This accounts for the emergence of more and more centers and institutes which are sometimes staffed by only a few workers. Of course among these there are serious and respected scientists, but unfortunately you also sometimes come across charlatans who predict the victory of a particular politician, party, or bloc with a clever and significant air.... Moreover, the level of "strategic" analysis is sometimes no more scientific than, for instance, the predictions of some clairvoyant.

Furthermore, taking their orders from this or that party, in their forecasts these Cassandras convincingly substantiate the victory of their client, of course, while at the same time duping us. That is what some of the research on the prospects of the KRO and Ivan Rybkin's bloc were like....

Of course there are paradoxes in the masses' awareness, in public opinion, and in the specific nature of the Russian mentality. And, when trying to justify our own inability to deal with these, we like to cite the classical writer: "Russia cannot be understood with the mind, or measured with a common yardstick"...

Apparently there is a "yardstick" — the methods of sociology, but as for the mind...

Russians To Join UN Civilian Police in Bosnia

LD0201162096 Moscow ITAR-TASS in English 1607 GMT 2 Jan 96

[By Andrey Naryshkin]

[FBIS Transcribed Text] ZAGREB, January 2 (ITAR-TASS) — Colonel Vladimir Rybnikov, chief of the United Nations civilian police in Bosnia, said on Tuesday Russians will make up several hundreds out of 1,500 troops within this international force. Men started coming to form the force 20 days ago, Rybnikov said.

New police stations are being created and existing ones reinforced in Sarajevo, Tuzla, Banja-Luka and some other areas both in Bosnia-Herzegovina and in the Bosnian Serb Republic, the police chief said.

Iran Negotiating Purchase, Manufacture of Planes

LD0201200996 Moscow ITAR-TASS in English 1940 GMT 2 Jan 96

[By ITAR-TASS correspondent Oleg Kuzmin]

[FBIS Transcribed Text] TEHRAN, January 2 (ITAR-TASS) — Iran and Russia seem to shortly agree on the manufacture of new Ilyushin Il-114 planes at an assembly line in Isfahan in central Iran, according to Iran's ambassador to Moscow Mehdi Safari. The talks are in the "final stages," Safari told the Iran News on Tuesday. Iran also plans to buy 12 Tu-154 passenger planes, the official said.

Safari also added that Tehran's standing debt to Moscow will be repaid before 1999 in yearly installments of 250 million dollars. The debt now reaching 500 million dollars is supposed to increase to about 1.2 billion dollars after the countries complete several joint projects. The ambassador said that the debt was rescheduled during a last week Iranian visit by Russian Deputy Prime Minister Oleg Davydov.

Among the projects, Safari singled out the construction of a 1,000 power station in Iran's East Azerbaijan province, the cooperation in prospecting and extracting oil in the Caspian Sea and the Gulf, and the start-Kerman facilities in Iran.

The official also said Iran's Economic and Finance Minister Morteza Mohammad Khan will visit Moscow in near future as head of the country's delegation at a bilateral meeting for economic, trade, and technical matters.

German Minister: Germany Must Back Russian Reforms

LD0201205096 Moscow ITAR-TASS in English 2029 GMT 2 Jan 95

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[FBIS Transcribed Text] BONN, January 2 (ITAR-TASS) — German Foreign Minister Klaus Kinkel on Tuesday warned against dramatising communists' winning recent parliamentary elections in Russia and urged cooperation with Russia and backing Russian reforms.

In an article published by DIE WELT, Kinkel said Germany's policy towards the "important partner" should not be the policy of isolation but one aimed at Russia's joining major bodies of transnational cooperation.

The foreign minister said the Russian poll results mirrored a "widespread, often justified, and understandable popular discontent with economic situation and social problems" which cannot but be generated by a painful transition from the centralised economy to a free market.

However, one can expect that Russian economic revival will make those who voted for communists to display their protest to back centrist parties, Kinkel said. He also suggested that candidates who will champion successive, predictable and cooperative policies will gain support of many such voters in the forthcoming presidential race.

Former KGB Officer Discusses Polish Leadership Scandal

LD0201185196 Moscow NTV in Russian 1600 GMT 2 Jan 96

["Today" presenter Mikhail Osokin]

[FBIS Translated Text] A former first secretary of the Russian embassy in Poland has made a sensational admission. At a news conference today he announced that he had carried out intelligence work in Warsaw, and was friendly with the current Polish Prime Minister Jozef Oleksy.

Incidentally, as the former diplomat-intelligence officer put it, the prime minister's case was nothing exceptional. He said he had been friendly with many Polish personalities.

[Correspondent] Vladimir Alganov worked in Poland from 1981 to 1992, and throughout his time there successfully combined the duties of first embassy secretary with work for the Soviet and then Russian Federation intelligence service. In 1992 Alganov left the intelligence service and started up in business. Learning that his name was being mentioned in connection with the scandal involving the Polish Prime Minister Oleksy, who is accused of having links with the KGB, Alganov himself asked the Foreign Intelligence Service to stage a news conference. Today the former intelligence officer shared his own version of what happened in Poland.

According to Alganov, his family had been friends with the Oleksys since 1981, and often spent time together and went hunting. But Alganov asserts that it had never come into his head to recruit Oleksy.

[Alganov] The intelligence service would simply have screwed my head off straightaway.

[Correspondent] Alganov explained that Soviet intelligence officers were categorically forbidden to recruit communists in any country, so Alganov described the former Polish leadership's allegations about Oleksy's links with the KGB as nothing but a dirty political game.

[Alganov] They probably thought it was necessary to do that, slam the door to keep the dirt in.

[Correspondent] Poland itself, incidentally, is continuing with great seriousness to discuss more and more new versions of the real reasons for the Oleksy scandal. The Polish 'GAZETA WYBORCZA' has published an interview with an unnamed Polish politician who asserts that false documents compromising the prime minister were planted by Moscow in order to create difficulties for Poland to enter NATO. The newspaper says former Polish spy Marian Zacharski bought these documents for a million dollars from a retired KGB general. The deal is said to have been done in Majorca. Vladimir Alganov is evidently the person meant by the general, and he did indeed meet Zacharski on Majorca in the summer of 1995. Alganov said he had been on holiday there and was very surprised to meet, allegedly by chance, his old friend Zacharski. Zacharski straightaway took Alganov off for a chat, and once again confirmed that intelligence men do not have chance meetings.

[Alganov] During the chat, Zacharski tried to get information out of me about my former activities in Poland. In this connection, I was astonished — astonished, I stress — to learned from Zacharski that he was interested in collecting information about well-known Polish politicians, including Olesky. When I asked him straight why he needed it, I got an equally straight answer: namely that the Polish special services will not permit new political forces to come to power in Poland. I informed my former bosses about this when I got back from Spain.

Alganov did not tell his friend Oleksy about this meeting. He said he did not want to worry him unnecessarily. Vladimir Alganov is convinced that Zacharski taped the whole conversation, and to prove he is not involved in the whole affair, the former Soviet intelligence office suggested journalists ask the Polish special services for the tape.

Links to Polish Premier Denied

LD0201171596 Moscow INTERFAX in English 1402 GMT 2 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 2 (INTERFAX) – The version that the scandal on the alleged cooperation between Polish Prime Minister Jozef Oleksy with the Russian intelligence was inspired by Moscow in the hope to postpone Poland's joining NATO "is absurd and unrealistic," the spokesperson of the Foreign Intelligence Service director, Tatyana Samolis, told INTERFAX on Tuesday.

"The Foreign Intelligence Service employs not very stupid people," she said. "Logically, any aggravation of the situation in Poland not only does not postpone its joining NATO, but throws it into the hands of the North Atlantic Alliance. That is why I believe as impossible such logic on the part of the FIS," said Samolis.

Samolis does not rule out that the action with the use of the name of the former FIS employee Vladimir Alganov, who allegedly recruited Oleksy, could be inspired not by the FIS, but "by another side which is interested in destabilizing the situation in Poland."

The action is aimed at "proving that Poland needs to join NATO as early as possible and it should become member of the alliance as soon as possible," said the spokesperson.

"I would very much like to know who is the author of the plan and hope that I'll know this some day," said Samolis.

Alganov who worked in the Russian Embassy in Warsaw in 1981-92, could not recruit Oleksy because the Soviet Government decree signed by Stalin, which banned the recruitment of citizens of the socialist countries had been in effect since 1949, she said.

"This document was observed before in July 1992 the law on the Foreign Intelligence Service was adopted. Alganov left Poland in April 1992, which means before the law was passed," said Samolis.

According to her, there was no need not to observe the decree signed by Stalin. "Significantly, Poland and the Soviet Union with due account of their relationships, regularly exchanged any information, including in terms of special services. In other words, there was no need to develop any special trustful or other relations with Polish citizens. In addition, after Stalin's death, the Central Committee took a resolution banning the recruitment of agents among the Communists of all countries," said Samolis.

Asked what Vladimir Alganov did in Poland if he was unable to carry out intelligence activities towards Poland and recruit Polish citizens, Samolis said: "He was in charge of not people's democracy countries, as they used to be called at that time, but of Western countries. He recruited other citizens on the Polish territory."

Samolis emphasized that with the adoption of the law on the Foreign Intelligence Service in the summer of 1992 the Russian intelligence builds its relation to Poland the same way as to any other European state."

Vladimir Zhirinovskiy Interviewed on Poland, Policies

WS0201140096 Poznan WPROST in Polish 31 Dec 95 pp 68-69

[Interview with Chairman of the Russian Liberal Democratic Party Vladimir Zhirinovskiy, by Waldemar Gontarski; in Moscow, date not given: "Russian Shield" — questions published in boldface]

[FBIS Translated Text] [Gontarski] Is it true your father was a Pole?

[Zhirinovskiy] The fact that I was born I owe to Poland. My father met my mother only because the Germans invaded that part of Ukraine which was Polish territory in 1920. When World War II broke out, my father lived in west Ukraine which was then part of Poland. In the years 1920-1939 he was a Polish citizen. In 1939, Polish soldiers and officers — my father among them — fled east and farther on to Central Asia. That is where he met my mother in 1941 and where I was born in 1947. I am thus a child of World War II. Had there been no Poland, someone else would have been my father. This country is my second homeland. I would like to ask Polish archivists to help me trace my father's Polish ancestry. My mother told me my father spent his youth in Kanatopol. I know a place by the name of Kanatop, but it was never under Nazi occupation. It was a small, quiet Polish provincial town. My father spoke Polish, Russian and French: Russian, because we had imperial ancestors; Polish, because the town was Polish territory in 1920; and French, because he studied at the Sorbonne. The Polish intelligentsia of the time was hostile toward Russia, but could travel to Paris freely. That is where my father went to pursue his education.

[Gontarski] The Russian ambassador to Poland says the recent presidential elections have brought to power people who, unlike their predecessors, avoid historical issues which only worsen the relations between our two countries.

[Zhirinovskiy] I want to be an ambassador of concord, and not to start a new debate on who killed whom in Katyn or who buried whom and where. That is why I would like to return to Poland with the Bible in my hand. Is it at all possible today to establish who was guilty once upon a time? In 1918, 600,000 Russian war prisoners were killed in Poland. [as published] Do they not outweigh the sacrifice of less than 30,000 Polish officers? Perhaps the conduct of the Poles toward us was wrong, perhaps we did not always act properly toward the Poles. You cannot, however, focus only on what was bad in the past. As for the presidential elections that were held in Poland in November, I simply do not understand the Poles. After all, Poland was the most West-oriented, pro-capitalist country in our part of the world, and all of a sudden a postcommunist comes to power. I would understand if, for example, the Croats elected a communist for head of state, but the Poles, of all nations? Maybe people were simply tired of having Walesa as president?

[Gontarski] Are you still considering a partition of Poland?

[Zhirinovskiy] Absolutely not! I only wish to repeat that the Germans will make a claim to the western territories of Poland sooner or later. Moscow's reaction will depend on what the Poles do. If they maintain friendly relations with us, Russia might take that into consideration. If, however, President Kwasniewski insists that your country join NATO, how can we defend a state that intends to join an alliance hostile to Russia? Unless real cooperation is launched between the West and Russia, enabling, for example, a Russian general to command NATO forces, we will form a rival bloc with our neutral allies: Serbia, Bulgaria, Greece, Croatia, Belarus and others.

[Gontarski] How do you intend to take over power in Russia?

[Zhirinovskiy] Had the votes been counted decently after the 17 December elections in Russia, we would have taken 40 percent of the seats in the Duma. In the earlier local elections, for example in Orlovsk oblast, the communists attempted to forge the election results. An appropriate court confirmed that. Yabloko forged the elections in Briansk oblast. Forgery also has been discovered in Moscow oblast.

In terms of platforms, we feel closest to the Russian Agrarian party. What a pity this is the only party, apart from the Russian Liberal Democratic Party, which wants to salvage the economy at any price. All the remaining groups are our enemies.

[Gontarski] What will happen in Russia in 1996?

[Zhirinovskiy] The first round of the presidential elections, scheduled for 16 June, will not bring any solutions. There will be a multitude of candidates. Only two will make it to the second round: me and Boris Yeltsin. Boris Nikolayevich will then make a televised address in which he will tell the nation that Russia needs a younger, healthier and more dynamic president.

[Gontarski] What would your first decisions be, assuming you did rise to power?

[Zhirinovskiy] First, I would put an end to the civil war and dissolve all the illegal militant formations. Second, I would divide the country into governorships and do away with the division into separate national republics. I would then halt the reforms that are harming our economy, temporarily control foreign trade and introduce a state monopoly on the trade of alcohol, tobacco and sugar.

[Gontarski] Why do you so blatantly pose for pictures with neo-Nazis when you travel abroad? Are you a fascist yourself?

[Zhirinovskiy] Whatever are you saying? I am a staunch opponent of fascism in all its manifestations. Yet I do not know all the political parties in the world, especially as their names are often misleading. Various people walk up to me in the countries I visit, and although this is the first time in my life I have ever seen them, it later turns out that I am alleged to be involved in outlandish affairs — like the one that Zhirinovskiy is said to have met with German or Austrian neo-fascists. I never really wanted to meet with representatives of neo-fascist organizations, but our diplomats are not doing much to help me tell who is who.

[Gontarski] When you do speak about the West, however, a nationalist-fascist tone is clearly audible.

[Zhirinovskiy] Just look at the West. All people do there the year round is business, they do not have the energy for sex. They work very hard and I am truly sorry for them. All you can see on television in the West is shooting or something that makes you feel bitter. On Russian television, on the other hand, we see artists singing patriotic songs and playing the garmoshkas [Russian accordions]. The West is trying to turn its back on real problems, showing demoralizing tinsel instead. We are doing the exact opposite — we are educating the young generation, we are addressing its spiritual needs, we are giving it back to the Russian Orthodox Church. Just look at those legendary products of the West — their condoms, for example, are to small for us and burst. I am pointing all this out to the West as a warning against degeneration, decay and Muslim expansion. Only a Russian shield can defend the West against the Muslim tide.

Gen. Semenov on E. Europe, Baltic States Joining NATO

LD0201172596 Moscow INTERFAX in English 1402 GMT 2 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 2 (INTERFAX) — The Russian Land Force Commander Col. Gen. Vladimir Semenov thinks the greatest potential threat to Russia comes from the south and south-east. "Not only Russia, but also European countries are alarmed by the possible spreading of Islamic fundamentalism," he told INTERFAX.

He said the situation remains unstable in some parts of Central Asia. "This calls for additional measures to prevent the existing conflicts from spreading to Russia," the general said. Among possible steps he named better staffing of Russian divisions stationed to the east of the Urals.

The official spoke for strengthening ties with "the great southern neighbor" China. "That country pursues an independent policy, and stability in Central Asia will largely depend on the cooperation between Moscow and Beijing," Semenov said.

He disagreed with the opinion that after the end of the cold war NATO countries have ceased to be a threat to Russian security. "NATO remains a military-political alliance and the intentions of its leadership to admit new members arouse anxiety," the general said.

The command thinks that despite Moscow's resistance East European and Baltic countries will join NATO in several years "inevitably bringing military structures of the North Atlantic alliance to Russian borders." "We must be prepared for that," the general said.

He said the Russian military leadership sees a special danger in the possible NATO membership of CIS countries. "There are grounds for such misgivings," Semenov said.

Demarcation of Russian-Mongolian Border Completed

LD0201164696 Moscow ITAR-TASS in English 1542 GMT 2 Jan 95

[By Kim Boldokhonov]

[FBIS Transcribed Text] ULAANBAATAR, January 2 (ITAR-TASS) — Operations to demarcate the border line between Russia and Mongolia have been completed. Neither of the two sides has territorial claims to each other.

This conclusion was made by a joint Russo-Mongolian commission in charge of monitoring the border line between the two countries, at its session held in Ulaanbaatar today.

The border line, 3,985 kilometers long with 1,925 border demarcation signs, has been put under border guards' surveillance.

Yeltsin Lifts Customs Controls at Kazakhstan Border

LD0301095296 Moscow ITAR-TASS in English 0936 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW January 3 (ITAR-TASS) — Russian President Boris Yeltsin decreed to lift the customs control at the Russian-Kazakh border following the agreement on the customs union signed with the Central Asian republic last year.

The presidential press service told ITAR-TASS on Wednesday that the necessary instructions had been given to the Russian government. From now on only transit cargoes of the third countries will have to undergo customs examination on the Russian-Kazakh border.

The presidential decree was adopted in accordance with the Agreement on the Customs Union of January 1995 and "with the aim of implementing the Russian-Kazakh agreements on completing the first stage of forming the union", the press service said.

Besides, the President authorised the government to "elaborate and carry out" together with Kazakh authorities joint customs control on the external borders of the two countries and reach corresponding agreements with neighbouring Kyrgyzstan, Tajikistan and Uzbekistan.

The customs union so far involves also Belarus.

Cessation of Oil Supplies Threatens Czech Refineries

LD0301105596 Moscow ITAR-TASS in English 1042 GMT 3 Jan 96

[By Igor Shamshin]

[FBIS Transcribed Text] PRAGUE, January 3 (ITAR-TASS) — Czech oil processing enterprises will face shutdown if the supply of Russia-produced oil is not resumed in the coming days, a spokesman at the Press Service of the Republic's Ministry of Industry and Trade told ITAR-TASS on Wednesday. Oil has not been delivered to the Czech Republic from Russia for the third day. Oil was last received through the Druzhba (Friendship) oil trunkline on January 1.

The Czech side associates the cessation of the delivery of oil with the unresolved nature of some contractual aspects between Moscow and Prague concerning the purchase of the latest amount of oil and current differences between Russia and Ukraine over the Druzhba oil trunkline. Following the disintegration of the Soviet Union, the Czech Republic several times recorded cut-offs in the supply of oil because Kiev, as is believed here, used the oil, which was not intended for it, to meet its own needs.

The construction of an oil pipeline to supply oil from Germany was completed in the Czech Republic at the end of last year. Despite the fact that the pipeline was to operate exclusively on a trial basis until April, its throughput will be possibly brought up to full capacity earlier than planned if there are interruptions in the supply of Russia-produced oil.

Implementation of Oil-for-Sugar Deal With Cuba Begins

MM0301112196 Moscow FINANSOVYYE IZVESTIYA in Russian 26 Dec 95 p 1

[Report by journalist Dmitriy Sergeyev: "Cuba Has Obtained 600,000 Tonnes of Russian Oil" — received via Internet]

[FBIS Translated Text] The first 600,000 tonnes of Russian oil, which the Island of Freedom is obtaining in exchange for sugar, has been received in Cuba. Whereas the supplies of oil began back in November, the first 200,000 tonnes of Cuban sugar will be shipped out in January and arrive in Russia in February 1996.

The oil-sugar deal is being carried out by two Russian commercial companies, Alfa-Eko and Menatep-Impeks, which won the relevant internal tenders to carry out all transactions and the sale of sugar inside the country. However, as yet only Alfa-Eko, which was the first to conclude an agreement with the Cuban foreign trade companies Cubametales and Cubazucar, has begun making deliveries.

The negotiations with the Cuban partners have been proving an obstacle to the swift conclusion of agreements. Russian experts who took part in the preparation of the agreements relate that the Cuban side has constantly tried to impose conditions of trade characteristic of socialist times. It was initially proposed that prices be fixed at a certain level and that settlements be made according to the initial accord regardless of changes in world market conditions. For the Russian side this would have meant purchasing sugar at an inflated price because world sugar prices come down in January-February as the sugarcane harvest (zafra) is completed in Cuba and supply grows. According to the Russian experts, the Cubans simply tried to incorporate prices for sugar inflated by $10-20 into the deal.

The oil-sugar deal is a kind of futures operation whereby the oil required for the zafra is delivered a month earlier than the commodity in question. A change in world prices thereby exercises a considerable influence on the level of profitability of the transaction. An Alfa-Eko representative observed that "The Cubans did not immediately understand that they were dealing with a commercial rather than a state organization, which cannot afford to subsidize the state's strategic interests." The final agreement says that settlements will be purely in accordance with world prices at the time of the delivery of the goods. At the London Commodity Exchange the current price per barrel of oil is around $16 and the price per tonne of sugar $365.

Alfa-Eko will supply Cuba with 1.5 million tonnes of oil over five months (at the rate of 300,000 tonnes per month). Alfa-Eko intends to ship 200,000 tonnes of sugar to Russia in January- February and another 300,000 tonnes in February-March. Menatep-Impeks has similar commitments. This company was to supply oil to Cuba in the fourth quarter, but no agreements with Cubametales and Cubazucar have been signed to date.

Russian Deal With French Oil Company Examined

MM0301103596 Moscow IZVESTIYA in Russian 23 Dec 95 p 2

[Report by Andrey Sazonov: "French Intend To Invest $1 Billion in Oil Project in Russia"]

[FBIS Translated Text] The Russian Government and the branch of the French "Total" firm for prospecting and extracting oil in the CIS have signed an agreement on output sharing terms for the Kharyaga oil field. The cost of the project is about $900 million.

The fact of the signing of the agreement, however, in no way means that the agreement will go into force immediately. Certain conditions have to be met on the Russian side, guaranteeing the foreign investor's rights for the entire duration of the agreement. It is this which the very famous "Sakhalin-1" and "Sakhalin-2" projects have been awaiting for a long time. So that from the viewpoint of the practical implementation of such projects in Russia little has changed except the number of agreements prepared and signed has increased.

There is no doubt that the signing of the agreement on Kharyaga is a great success for the French side. It has managed to bring to its logical conclusion work on the contract whose prototype was concluded between the "Komineft" production association (now the "Komineft" joint-stock company) and the "Total" firm nearly four years ago. Over this period the French have brought the agreement into line with Russian requirements and received the approval of the local authorities and positive conclusions from the necessary feasibility studies.

Under the terms of the agreement the French company receives the right to work at the Kharyaga deposit, on the territory of the Timano-Pechorskaya oil province, where the "Komineft" joint-stock company is already operating. The volume of oil extracted is calculated at 8,000 tonnes a day and in all during the agreement's operation (30 years) the company intends to extract over 34 million tonnes of oil.

Special note must be made of the fact that the French have been given by no means a tasty morsel but a very complex region including two oil strata with an increased hydrogen sulfide and paraffin content. And although "Total" assesses highly the standard and qualifications of Russian oil workers Russia has no money to carry out such technologically complex operations.

Of itself the presence of toxic hydrogen sulfide in the oil is a sufficiently big problem requiring special, expensive equipment. And the high content of paraffin (up to 20 percent) leads to the solidifying of the oil at 32 degrees. Considering the fact that on Kharyaga the temperature is often below minus 50 it becomes clear what kind of problems Russian oil workers encounter. So it is perfectly sensible not to invent the bicycle and not to wait to be able to cope ourselves sometime but to use smoothly operating Western experience in this field. Moreover the implementation of the project will create a favorable social climate in the region: New jobs will be created and people will have the opportunity to study new technologies and orders for equipment will go to Russian enterprises.

As for the output extracted itself, then after the firm has made all the necessary payments and bonuses to the local and republican budgets it will be shared on a progressive scale. That means that the Russian side's share will be 47-75 percent depending on the level of oil extraction and it is implied that the higher the extraction the larger the Russian Federation's share and consequently the smaller the share of the French.

Assessing as a whole the situation regarding these agreements (in all 10 projects are being prepared in the Russian Federation on output sharing terms), it can be noted that despite the seemingly obvious advantage from the implementation of these projects for Russia, their fate has still not been clearly determined. The French, for instance, expect the relevant legislative base to be adopted in the Russian Federation, to obtain a license to develop the deposit, and also expect a long-term contract to be signed for the transportation of the oil. Other Western investors have similar demands.

At the same time Russia is in no hurry: The legislators are too concerned with their desire to look like the champions of state interests. Against this background the thesis that "Russia is being plundered" constantly arises. In actual fact during the implementation of agreements on output sharing terms the state (in this case Russia) retains the right of ownership of the natural resources. Here the foreign investor has the right of ownership only of that part of the output which he has obtained as a result of the share of the raw material extracted. There is no plundering here: Russia receives its own (larger) share of the output and the investor receives his own share. Moreover local inhabitants — in Sakhalin or the Far North — receive highly paid work.

Chernyshev Hopes Russians Will Be Freed by Taleban Soon

LD0301112896 Moscow INTERFAX in English 1116 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 3 (INTERFAX) — Seven crew members of the Russian IL-76 plane detained by the Afghan opposition movement of Taliban will be freed in the next few days, Deputy Russian Foreign Minister Albert Chernyshev told INTERFAX in Moscow Wednesday.

"I think it will happen within a week," noted Chernyshev.

A recent meeting of the Taliban ruling body revealed differences between "conscious forces, which support liberation of the Russians, and radicals, who suggest postponing the liberation," said the official.

These very differences stopped the crew's liberation initially scheduled for December 3, 1995, and prevented a meeting of Taliban leaders with a Russian delegation headed by Director of the Russian Foreign Ministry's Third Asian Department Yuriy Kotov. The delegation returned to Moscow from the United Arab Emirates on New Year's Eve without meeting the Taliban representatives in Kandahar, Afghanistan.

"The meeting was not held because the Taliban members failed to agree on the time for the crew's liberation," said Chernyshev.

He stressed that "both the conscious forces in the Taliban ruling body (which make the body's majority) and the radicals do not doubt the need to free the Russians."

"We have used all possible influence on the Taliban — the United Nations, the Organization of the Islamic Conference, Pakistan, Saudi Arabia and others. The Taliban understands that the incident with the Russian plane, which they forced to land on August 3, is working against them, after it, possibly, played into their hands at first," said Chernyshev.

"Notably the Taliban does not strongly insist on clarification of the fate of another several missing Afghans for the crew's liberation," he noted.

Some time ago the Russian side passed over a report on the fate of about 7,000 missing Afghans to the Taliban. This was a main condition for liberation of the seven Russians.

"This time it is the matter of one or two Afghans. We are ready to help clarification of their fate both before and after the liberation of the Russians," said Chernyshev.

As soon as anything becomes clear, a Russian delegation headed by Kotov will go to the region again, said the official.

Article Views Fate of Defectors From DPRK in Russia

AU0201175196 Hamburg DER SPIEGEL in German 1 Jan 96 pp 120-122

[Unattributed report: "Caught in Liberty"]

[FBIS Translated Text] Thousands of North Koreans are cutting trees in Siberia for their country. Many run away and are chased by their Stalinist regime. DER SPIEGEL talked to the refugees in the Russian underground.

If Park Chong Hwa [footnote: name changed by DER SPIEGEL] had been at home last summer and not somewhere in the far east of Russia, he would have wailed and mourned the death of Kim Il-song like millions of his fellow citizens. Yet, Park's image of the world has been put in disorder since he cut wood for the "great leader" in Siberia. Thus, in the ninth month of his flight, he cried with relief upon learning the news of the end of the earthly existence of the godlike head of state.

Since Park went underground, trying to get to Moscow, he has lived in permanent fear of Russian police and North Korean henchmen. Only a few people close to him know his name, his origin, or his whereabouts. In Kim Il-song's workers' paradise, flight is regarded as high treason, punishable with seven years in a detention camp or even the death penalty in severe cases.

Three years ago, Park received permission to cut wood in a North Korean logger camp in Russia. Since the end of the sixties, his country has held licenses to cut wood there; initially, the hard work in the Far East was carried out by forced labor.

After the collapse of the Soviet Union, North Korea withdrew the majority of its approximately 20,000 loggers from Siberia. When Park applied, only those who were considered to be strictly loyal to the regime were eligible to cut wood there. He committed himself to never say anything bad about his country and to always praise Kim Il-song or his son and successor, Kim Chong-il.

Yet, in the rough taiga, where temperatures fall to 50 degrees Celsius below zero in the winter and which is invaded by swarms of mosquitoes in the summer, Park discovered that he had been cheated for 29 years. "No other people are better off than you are" was one of the slogans that was hammered into the minds of the inmates of the camp from walls even far away from home. Yet, these slogans were contradicted by the reality outside the loggers' camp.

While the workers of the "great leader" had to melt snow to be able to wash and hardly ever had enough to eat, the newly rich Russians had their dachas fitted with bathrooms. Only those who earned nothing and had no savings were starving. As Park did. Instead of cash, he only had coupons worth a pair of domestically produced felt boots.

He began to borrow rubles to buy Russian vodka and Chinese quilted jackets, which he then resold at a profit. The security forces, infected by the post-socialist gold rush atmosphere, turned a blind eye to his dealings when they were granted their share of the profits. Park was soon busier buying and selling things than felling trees. This changed his world. "He who buys and sells begins to think along new lines," he said.

He realized that the Russians "are able to decide freely about their lives," while people in North Korea are "roped." He learned that even the Chinese were making fun of the leadership cult of his fellow citizens. He saw that there were more things to buy than the black-and-white television sets that the returning loggers took home. Washing machines and canned meat were also available — virtually impossible to find in his home.

In the summer of 1993, a controversy erupted in his camp. The administrators of the camp regarded the illegal dealings of the workers and security forces as ideologically incorrect. They threatened that all those who were doing business instead of cutting trees would have their contracts canceled prematurely due to a "lack of the will to work."

Park knew that at home he would have to expect forced labor and torture. Before applying for the job in Siberia, he strengthened his country's defense capability not only as a soldier but also as a policeman. His unit was guarding a "reeducation camp" for economic criminals.

No fewer than 5,000 prisoners, whom Park had to oversee, were taken to the Hamnamdo camp for misdemeanors less serious than "lacking the will to work." Some only stole food. They had to produce fire-bricks for furnaces. The stone from which the necessary magnesium oxide was produced was quarried by the political prisoners. Those who did not work hard enough were exposed to solitary confinement with a stick tied to their lower legs and buttocks, they were beaten, and "sometimes even tied to a hook upside down." Many died of exhaustion since all they got to eat was a soup consisting of salty water, corn, and soya beans.

Park said that nobody survived detention for more than 10 years. Park defected from the woodcutters' camp in the taiga even though he knew that his parents at home would be threatened with banishment and his wife could evade punishment of herself and their son only by applying for a divorce.

Park is not the first or only one trying to run away from this regime that guards and controls its citizens like no other. Seventy North Korean loggers are registered as missing in the police computer of Khabarovsk. A representative of the human rights organization Amnesty International said that he was sure that this number was too low. The camp administration did not report many defectors. North Korean agents prefer to persecute them unnoticed by the Russian authorities.

As if having to trace down a man charged with high treason, Kim Il-song's secret agents were, for many years, persecuting Han Chel Gil, a logger who fled to Ukraine. When the North Korean returned to Khaborvsk in October 1990 to buy a second-hand Japanese car, his hunters stopped him at the station. They started a fight, and Han was temporarily arrested by the Russian police; the others were allowed to run away.

When, two years later, his persecutors forced their way into his apartment in Ukraine, leaving a threatening note on the kitchen table, Han realized that he would never be safe anywhere on the territory of the former Soviet Union.

Park also knows that he must leave Russia if he wants to lead a normal life. He is hoping for an air ticket for the capitalist south of the Korean Peninsula, which has been divided since the end of World War II.

Yet Seoul's diplomatic representatives in Russia deal with applications for asylum by loggers who went underground with reluctance. They fear that an overly overt readiness to accommodate refugees could trigger a mass exodus similar to the opening of the Austro-Hungarian border for GDR [German Democratic Republic] citizens in 1989. Yet, the south could not pay for a collapse of the regime in the north. Therefore, the diplomats put the refugees off until later, leaving them to their fate. Thus, with each additional day he spends in freedom, Park feels more confined.

For two and a half decades, the Soviet authorities and their successor organizations put up with North Korea's complacent punishment and persecution of North Korean citizens on Russian territory. The timber yielded millions in foreign currency every year. It was not until 1993, when Moscow's human rights commissioner, Sergey Kovalyev, made the "absurdities" in the wood cutters' camps public, that the totalitarian enclaves were subject to Russian jurisdiction.

Secret operations by North Korean agents inside Russia have theoretically been illegal ever since. A report now published by Amnesty International notes that, in fact, "the North Korean intelligence service continues to operate on Russian territory, persecutes refugees, and tries to kidnap or intimidate them."

In March, a Korean-American missionary and his wife were found murdered in their Khabarovsk apartment. Nothing indicated an assault: The door was not forced, $17,000 in cash remained untouched.

The two had paved the way to freedom for North Korean would-be emigrants. Song Chang Keun was one of these. He was arrested on murder charges, but handed over to the North Korean authorities for lack of evidence. Amnesty does not know whether he survived that.

It is not difficult to recruit people to do the dirty work of the despotic North Korean regime. Among policemen and public servants, who tend to hassle foreigners and members of ethnic minorities anyway, there will always be one who can be bribed. The size of the bribe offered will determine which of the two, the refugee or the henchman, will hold his own. That is why Park always has a large amount of money on him; he avoids streets at night, since even his identity card, issued to him by the office of the UN High Commissioner for Refugees, would do no good in a personality check. "When you are caught and deported, you have had it," he said.

Detained North Koreans have been reported jumping out of moving police cars or throwing themselves in front of trains to avoid deportation. They admit to crimes they never committed, hoping to be safe from their government in a Russian prison. Yet, even a Russian wife does not protect those who go underground from deportation. And those who are deported usually disappear without a trace.

Park is trying to be as inconspicuous as possible. He does business only at the markets of Chinese Koreans, whose facial features are similar to his own and who "also speak poor Russian." He avoids contact with Russian Koreans, but finds support and sympathy in the communities of South Korean priests.

Most of them managed to escape like Park did because their superiors sent them off to earn foreign currency for their ailing motherland. Since Russia is asking dollars for its oil and gasoline exports, many chainsaws have remained silent in the Siberian camps. The loggers who do not trade are leased to Russian construction companies. The contacts they make in their substitute jobs increase their desire to defect.

At home in Kim's empire, where, according to Park's estimate, one in 10 homes is inhabited by a police spy, where neighbors report any deviant behavior to prevent accusations of being accomplices themselves, Park would have met a fellow citizens such as Oh Ki Su [footnote: name changed by DER SPIEGEL] with suspicion.

"Even your back is a stranger to you," one old North Korean saying warns of blind confidence. Refugee Oh Ki Su must have been particularly loyal to the regime: A tractor driver by profession, he was permitted to go to Russia twice. After his first job in the taiga, he returned home with his "views overthrown," Oh says.

Nevertheless, he had no plans to overthrow the regime. All those who returned were cautious in what they told others; some were not cautious enough: They disappeared from the neighborhood.

Whenever asked curious questions by friends and relatives, Oh stuck to the wisdom of the three monkeys: He always said that he was deep in the woods where he saw nothing and heard nothing.

Before discovering the world in the Siberian taiga, it would have never occurred to him to say something against the regime, Park says. The ban on voicing any criticism of his leader dominated his life like a biblical commandment, which is why he rarely felt any fear, but only had "that unpleasant feeling" of having to suppress even the slightest sign of dissatisfaction.

As traitors to their country, Oh and Park no longer have any secrets from one another — certainly not the anger against the man who, on the basis of his own lies, isolated an entire nation from the rest of the world.

They trusted Kim Il-song, thanked him for every meal and polished his effigy day after day with red cloths even though the allotted portions of rice became smaller and smaller as the years went by. Now they want to forget as quickly as possible — the stories of Kim Il-song and his son and the hymns of praise for the paradise that never was.

And they are hoping to fall into oblivion themselves, hoping that they are considered frozen or beaten to death so that the persecution will end and the families they left behind will not have to pay the price for their freedom.

Political Issues

Yeltsin Working on Documents, Studying 1995 Results

LD0301104096 Moscow ITAR-TASS in English 1025 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, January 3 (ITAR-TASS) — President Boris Yeltsin has no working meetings on Wednesday. He works on documents and examines results of the past year at his Kremlin office, ITAR-TASS learned from the president's press secretary Sergey Medvedev.

The president's first assistant Viktor Ilyushin visited Yeltsin in the morning, as usual, with a report on current affairs. According to Medvedev, the president has, on his desk, many bills and final reports by federal services and bodies on the results of 1995.

Russian cabinet head Viktor Chernomyrdin held a planned working meeting with his deputies on Wednesday morning. Besides, the premier will chair a meeting with cabinet members and representatives from subjects of the Russian Federation on the regional policy, ITAR-TASS learned from the premier's press secretary Viktor Konnov.

Yeltsin Signs 1996 Budget Bill Into Law

LD0301114696 Moscow ITAR-TASS in English 1137 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, January 3 (ITAR-TASS) — President Boris Yeltsin signed the bill on the 1996 federal budget into law on December 31, 1995, the Russian president's press service reported on Wednesday. The bill was adopted by the State Duma (Russian parliament lower house) on December 6 and approved by the Federation Council (upper house) on December 19.

The law sets the outlays section of the Russian federal budget at 435,700 billion roubles, revenues — at 347,200 billion roubles. The budget deficit is fixed at 88,550 billion roubles. Priority items of outlays are national defence, operation of law enforcement bodies, housing, the agro-industrial complex and the social sphere.

Leading Officials Reveal New Year Hopes

MM0201160196 Moscow ROSSIYSKIYE VESTI in Russian 30 Dec 95 p 3

[Untitled roundup of comments by officials on outgoing year, prepared for publication by Lyubov Tsukanova under the "Official" rubric]

[FBIS Translated Text] The political pace of the country's life was intense in 1995. What events in the outgoing year do the officials at the helm of state consider the most important for the country and for our state institutions? What events largely determined its political course? What do they see ahead of them and what tasks do they set themselves in the new year? ROSSIYSKIYE VESTI put those questions to some well-known state figures whose actions were at the center of public attention throughout the year, whose words and deeds we followed with unflagging attention, and whose assessment of events in the country and in the world are important, in our view, for understanding the direction of the country's development in the future.

Viktor Ilyushin, the Russian president's senior aide: We Will Look to the Future with Optimism

The Russian Federation presidential aides service has always resolved questions connected with supporting the president's activity in the exercise of his duties under the Russian Federation Constitution. That is why it was created. It is for the president above all and for our professional colleagues to judge how successfully we have coped with our given tasks. We have certainly tried to cope with them. Our work is not always in the public eye. It is hardly ever publicized. We were not spared the common problems, but we are looking to the future with optimism.

Day-to-day activity forms a considerable part of the work of the Russian State presidential aides service. The Russian presidential election campaign which has already begun — the election is scheduled for 16 June 1996 — will undoubtedly have a major influence on our work. The degree of that influence will be determined by Boris Nikolayevich Yeltsin's decision on whether to run for president of the Russian Federation.

Army General Anatoliy Kulikov, Russian Federation Minister of Internal Affairs: Ensuring Safety on the Streets

For us internal affairs organs personnel and Russian Federation MVD [Ministry of Internal Affairs] Internal Troops servicemen 1995 was a difficult year. However, we have defined the strategy and tactics of our actions in the fight against crime, we have elaborated a concept for the development of the Russian MVD system for the period through 2005, and we are improving morale and the psychological atmosphere in our own ranks.

We have managed to reduce the number of serious crimes including premeditated murder, serious physical assault, rape, burglary, fraud, and theft, reduce the production and use of forged banknotes and securities, and cut the number of privatization-related crimes.

I believe that in 1996 the Russian MVD must ensure the population's safety on the streets. This will be our priority task. We will step up the fight against terrorism and banditry, support the range of measures designed to restore constitutional order in the Chechen Republic, boost the efforts aimed at exposing the most dangerous crimes, actively oppose organized economic crime, and step up the fight against corruption in the state service system.

In my view every Russian must realize that there cannot be a strong, renascent, democratic Russia without firm law and order.

Army General Andrey Nikolayev, director of the Russian Federal Border Service: There Will be a "Frontier Guard" in the Country

In 1995 we succeeded in completing the troops' protection of the strategic sectors of the Russian borders left unprotected after the USSR's disintegration. In the outgoing year the situation in a number of areas of the Russian border was extremely tense and in some regions was marked by a direct threat to state security. In 1995 the border troops detained 2,809 border violators and confiscated 2,335 kg of narcotics as well as contraband worth over 26 billion rubles [R].

In the long term the Russian Federation Federal Border Service is due to be transformed into a specialist state service. There is a 5-year federal plan for the development of the Federal Border Service. It must be organized to ensure that at the start of the century the Federal Border Service's activity is based not only on a troop contingent but also on a non-troop structure in the form of territorial forces. It is possible that the concept of the "frontier guard" ("pogranichnaya strazha") will also appear in the near future.

Anatoliy Chubays, First Vice Premier of the Russian Federation Government: There Will be No Upheavals in the Economy Next Year

The most important thing that has happened in our economy in the past year is above all that the inflation rate has fallen. It fell from 18 percent in January to 3 percent in December. Why is that so vitally important for the country? It is because inflation is a tax paid by both enterprises and citizens. An inflation rate of 18 percent a month means that every R1,000 in each Russian inhabitant's pocket is worth R180 less by the end of the month. Furthermore, a 1-percent fall in inflation means 700,000 people saved from the poverty trap. The fact that the number of people below the poverty line has fallen by many millions is possibly the main positive result of the past year.

There should be no revelations or upheavals in the economy in the new year. The policy which began in 1995 will be continued. In the outgoing year the slump in production slowed down and in 1996 we can expect a small but nonetheless real increase.

In sectors geared toward the domestic market production will begin to increase. This will be aided primarily by the sharp fall in the tax represented by inflation and the fact that Russian enterprises will enter the domestic credit market, to which access has been denied them in recent years. The obvious question is: Where is the money for these credits to come from? It exists in the state treasury bond market. It can and must be "extracted" not only from domestic sources but from foreign sources too.

I have no doubt that if the main directions of the existing policy are maintained Russia can expect economic growth to begin in the second half of 1996.

Vladimir Shumeyko, Chairman of the Federation Council: Hope of a Legitimate Elected Government

There were very many doubts about whether the State Duma elections would take place. The preparations for the elections were protracted and the work on the law was difficult, but the elections did take place, as did the constitutional transfer of power, which I consider a major event, the most important event of 1995.

Another significant event — but also a tragic and regrettable one — is the war in Chechnya, which for most people has turned into a senseless war in which there are no winners. And whereas we can take pride in the fact that the Duma elections were held in normal conditions — this is part of a consistent move toward democracy — the Chechen crisis requires a serious rethink. A solution has already emerged — it is the elections which have been held. Only a legitimate elected government that the people can trust is able to rescue the Chechen Republic from its tragic plight.

After two years of work in the Federation Council a tradition of very serious work on legislation and of normal interaction with the Duma has been established. I would like to wish the same to the new Federation Council.

Vladimir Tumanov, chairman of the Constitutional Court: Defend Your Right

Virtually every aspect of the Constitutional Court's work in the outgoing year was relatively new and extremely important because it was a new court that began work in March. The court has been revived, has adopted a number of important decisions, and is "on track," as they say.

I am glad that our priority was the protection of Russian citizens' constitutional rights. Each of our decisions adds, if only slightly, to the sum total of what Russians can really expect.

The complexity of the Constitutional Court's work is due with the fact that the period in which we are having to work is transitional from the viewpoint of establishing law. Many important laws have yet to be adopted. We understand the complexity of trying to produce new laws to encompass the new social relations, but we cannot take the legislators' place.

My chief wish for 1996 is addressed to our deputies. Many things in our common future will depend on how quickly they plug the gaps in the law because today our laws are unsystematic and contradictory.

I also hope that the Constitutional Court is not left on the "margins" of the political conflicts and battles and that it is not drawn into the solution of acute political questions.

I largely agree with Georgiy Satarov that the slogan of the day confronting everyone now is "Take it to court!" Of course, people must understand this not as a senseless and endless tug of war but a desire for the consistent protection of their rights. If everyone prevents the slightest encroachment on his rights, no one will encroach on those rights.

Nikolay Ryabov, chairman of the Central Electoral Commission: We Face a Major Political Choice

There have been many significant events in the outgoing year. The main event that I want to single out is that light has dawned in the solution of the Chechen problem. A qualitatively new situation has emerged — the federal authorities have now seized the initiative and are carrying out the people's main demand — for peace, stability, and creative work. That includes elections.

Many gloomy forecasts — about financial ruin, economic collapse, throngs of unemployed people, and Russia's disintegration of Russia — have not come true. Yes, things are hard for the country and many inhabitants are living below the poverty line, but catastrophe has not occurred. What is more, Russia is being regarded with hope today by its neighbors, the newly independent states which just yesterday were saying that the cause of their woes was that they were "feeding" Russia.

Of course, the most important political event in which the Central Electoral Commission was directly involved was the elections to the State Duma. To all intents and purposes the country had to create anew an electoral system which would not just work efficiently but which people would also trust.

The year ahead is a year of even more crucial political choice. In stable democratic countries the choice of the state's top official is a tactical question. For us it is a question of political strategy and a truly portentous question. It will demand the utmost responsibility from everyone — politicians, election organizers, the mass media, the executive structures, the opposition, but above all from the voters. We must not allow ourselves to be overwhelmed by emotions; we need a very serious and sober assessment of the past, the present, and the future so as to make a choice based not on a faith in words and irresponsible promises but on common sense.

Ivan Rybkin, chairman of the State Duma, First Convocation: A Good Legacy for the Sixth [as published] Duma

Probably the most important event in 1995 has been the adoption of the two parts of the Civil Code, the 1996 budget, and many other laws determining the direction of the development of the reforms.

No matter how turbulent the debates and even skirmishes in the Duma hall of sessions were, they did not erupt onto the streets of our cities. Yet there were hotheaded or, to be more precise, irresponsible people fatally drawn to the chaos of rallies.

My wish is that the deputies in the new Duma embark on the law-making process without delay. They must put aside personal ambitions and understand the enormous responsibility that has befallen them. I also wish them the kind of robust health that is so necessary in the Duma's very difficult work.

I do not want to go in for predictions, but the Sixth Duma has a good foundation in the form of colleagues who have been through the mill and have two years' experience of the parliamentary system. There is also the good legacy bequeathed by the deputies of the Fifth Duma — over 500 draft laws. And if we find scope for cooperation for the good of Russia we will not waste time on an unnecessary clarification of relations. That is disastrous for the constructive reform of our life.

Kozyrev Takes Christmas Vacation in Moscow Region

LD0301112396 Moscow INTERFAX in English 1115 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 3 (INTERFAX) — Russian Foreign Minister Andrey Kozyrev is on a brief Christmas vacation to last through January 8, the Kozyrev circle told INTERFAX.

The minister is staying at a rest house in the Moscow region, and can easily be reached.

"If needs be, the minister can come to Moscow within an hour," said a source. He found it difficult to say whether Kozyrev will remain in his minister post or quit for lawmaking in the State Duma, to which he was elected in the 116th Murmansk single-mandate electoral district. "This will be decided by the minister and the president," said the source.

After meeting President Yeltsin in Barvikha on December 27, Kozyrev told correspondents that a decision on his combining the minister post and deputy status will be taken after the president's return to the Kremlin.

The president moved to his Kremlin residence on December 29, 1995.

The minister also told correspondents that Chairman of the Central Electoral Commission Nikolay Ryabov and he discussed a period for taking this decision and submitting a corresponding report to the district electoral commission. "I think Ryabov will say when this period is due to expire," said Kozyrev.

Ryabov told INTERFAX Wednesday that this period is due to expire by January 6. He referred to a provision of the law "On Elections of Duma Deputies."

According to Ryabov, the Central Electoral Commission sent notification to this effect to all newly-elected Duma deputies on December 29, 1995.

Under Article 97 of the Russian Constitution, "Duma deputies cannot be civil servants or be involved in other paid activities with the exception of teaching, science or other types of creative work."

Zyuganov Rejects NATO Expansion, Backs USSR Revival

AU0201140396 Prague PRAVO in Czech 27 Dec 95 pp 1,4

[Interview with CPRF Chairman Gennadiy Zyuganov by Vera Ivanovicova in Moscow; date not given: "You Would Not Talk About Reforms in Your Republic — We Call It Genocide"]

[FBIS Translated Text] [Ivanovicova] How does your Communist Party of the Russian Federation [CPRF], which was victorious in the recent elections to the State Duma, differ from the former CPSU?

[Zyuganov] The CPSU was a system of control, not simply a party. Our party is one of many. It is the strongest and most organized. Its membership exceeds that of all of the other parties put together, but it is still a party.

[Ivanovicova] How does it function?

[Zyuganov] We have got rid of the bureaucratic apparatus; all of the secretaries get paid where they work. We have an up-to-date program that accepts as its legacy all the best and proper things: friendship among peoples, respect for those who work. At the same time, it proceeds from a patriotic-state position: It respects the ethnic composition of our multi-ethnic country and allows for reality both in the West and in the East. It takes the very best not only from the Soviet era, but also from the 1,000 years of Russian history, and takes all the advanced things from the history of the West and other countries. It looks forward and not back, as is sometimes emphasized in the West.

[Ivanovicova] Do people in the Czech Republic have any reason to fear the return of the Communists in Russia in view of our experiences from the period when we were part of the Soviet bloc?

[Zyuganov] I would say that you have not learned from these experiences. You are now getting ready to enter a new military bloc. The system of military blocs has become absolutely outdated. It only led to unprecedented hectic armament, confrontation, and the devastation of the planet's resources, to the destruction of all of its protection systems — ozone, ecological — and to an energy and demographic crisis and so on. So, it is necessary to take other realities into the new century. I would say good education, elevated culture, and a qualitatively new strategy, in which, on the basis of collective security in Europe, it is possible to balance interests.

[Ivanovicova] What is your view on NATO enlargement?

[Zyuganov] It is a bad solution. I will submit to you one of the variants. The decision will be made and the Baltic republics will enter NATO. But, 500,000 Russians, Ukrainians, and Belarusians live together in north-eastern Estonia. A referendum will be held there in harmony with international standards and the people will decide to join — in harmony with international norms — the Russian Federation, because their human rights are being violated systematically and children cannot study in their own language and have no freedom of movement. What will you do then with your NATO? Will you fight Russia over it? No, you will not. There will be no confrontation, however. We do not like it. This is a bad policy.

[Ivanovicova] What do you see as the main reason for reviving the Soviet Union?

[Zyuganov] Well... let us suppose that someone had taken the Czech nation and divided it into 15 pieces. How would you have dealt with this?

[Ivanovicova] But we separated from Slovakia.

[Zyuganov] The Czechs and Slovaks separated themselves. But, 25 million Russians were left outside the borders of the Russian Federation. So, work it out. We think this is distressing for a nation.

[Ivanovicova] So, what do you intend to do?

[Zyuganov] We will resume contacts stage by stage — economic, cultural, and others. At the same time, however, we will not attack anyone's political sovereignty or foist our will on anyone, but we will restore the will of the people. The people will express their opinion. Customs barriers have to be removed. We will live together, but the political institutions of everyone will function independently.

[Ivanovicova] Does your party have plans for solving Russia's economic difficulties?

[Zyuganov] Yes. We have an economic program, a program for the struggle with crime, a socially targeted policy. We have already submitted a whole series of laws to the current Duma, but, so far, they have not been passed.

[Ivanovicova] Which of the implemented reforms do you reject and toward which do you have a positive attitude?

[Zyuganov] Look: If in your republic, as a consequence of the reforms, output had been reduced by half, everyone had been deprived of all the money they had, and a tide of refugees had been created — and we have 6 million of them — you would not be talking about reforms. We call it genocide, actual genocide.

One positive outcome is that it is clear to everyone that no one kept anyone in the Union. Everyone worked for the common wea' True, it was not always distributed fairly. Now it is clear that no one will protect himself. Even the until recently wealthy Ukraine, the not always diligent Belarus, and big Russia. They will have to put their potentials together. It is clear that the mass media, which has been monopolized by a narrow group of people, operates as a very destructive force. It is manipulating public opinion and misrepresenting all of our history. This is also clear.

[Ivanovicova] According to the CPRF, how should the situation in Chechnya be resolved?

[Zyuganov] The most important thing is to resume dialogue and to do so without preliminary conditions. It is important that all of the warring sides take part in the talks. Then, the status of the talks should be raised to the level of the first deputy prime minister. It is also necessary to halt the movement of the arms that are continuing to pour into this region. Another of our principles is to interest the neighboring republics in settling the crisis in Chechnya.

[Ivanovicova] You often talk about the need for changes in government. If you were offered the post of prime minister, would you accept it?

[Zyuganov] We are discussing this situation and we will make a decision in a joint forum of our party and with our allies. There are now far too many people in our country who are willing to accept various functions, but they do not want to bear the responsibility. When we carry out a function, we will want to bear the responsibility for our activity. Therefore, we will make a very well considered decision.

Article Criticizes Budget's Aim To Maintain Government

MM0301112696 Moscow FINANSOVYYE IZVESTIYA in Russian 26 Dec 95 p 2

[Article by economist Aleksandr Deykin and correspondent Yevgeniya Pismennaya: "Adopted Budget Promises No Positive Changes to Russian Economy" — received via Internet]

[FBIS Translated Text] The first federal budget in the entire history of independent Russia to be adopted in good time by the State Duma and to be ratified by the Federation Council is the main and, seemingly, only positive achievement in Russia's financial policy in the current year. And it was largely the result of force of circumstance — primarily a result of the parliamentarians being pushed for time. The new budget has considerably more of the kinds of features which give rise to doubts.

Following the turbulent debates in the State Duma about the baseline forecast parameters for the economic outlook in 1996, and following the adoption of the budget on first reading and the examination of the more than 800 amendments received by the budget committee (of which more than 400 were adopted), some 13 trillion rubles [R] in "undistributed" revenue has built up in the draft budget. This is the result of the recalculation of the expected level of tax revenue, and the reduction of expenditure on the Tax Service, the Tax Police, and the Customs Committee. Moreover, it proved possible to cut spending by R7.1 trillion on items covering the holding of elections and referendums, the financial regeneration of loss-making production facilities, the Small Business Support Fund, the financing of state plants, and certain expenditure connected with the Chechnya conflict.

The funds "saved" were used to increase spending on national defense as well as on law enforcement organs (R1 trillion was added to the Federal Border Service, R170 billion to the Foreign Intelligence Service, and R200 billion to Prosecutor's Office organs). Spending on housing increased by R4 trillion, but appropriations were also increased for the agro-industrial complex, and these — as has been shown by repeated checks — are by no means fully meeting the purposes for which they were allocated.

Thus, spending on "budget consumption" and on financing departments is growing, while spending on regulating economic processes, on galvanizing economic growth in the country, and on simple but confident reproduction is still not being envisaged at all. The small sums which could previously be applied to this category by stretching a point — such as funds coming under the heading of the development of small enterprise — were ditched from the final version of the budget.

The last convocation of the Duma was unable to initiate the transformation of the federal budget into a tool for positively restructuring the Russian economy, even though considerable opportunities for that were available. The lower house was not even concerned to try to develop a new approach to budget and fiscal strategy — needless to say, rhetoric should not be taken at face value. It played into the hands of government officials who are accustomed, as was the case in the past, to allocating resources in accordance not with economic goals or programs, but with departmental requests, thereby tearing the country's finances to pieces. Parliament has to all intents and purposes subjugated itself to the budgetary will of the executive.

This is confirmed yet again by the complaints made about both the initial draft and the final adopted text of the federal budget by a number of Federal Assembly sectoral committees. Without drawing attention to the main shortcoming — the lack of an integrated and purposeful process for shaping budgetary policy — they focused on criticism of the "insufficiently high" level of funding for each of the main items in the budget (corresponding to the sectoral coverage of parliamentary committees).

The simplicity of this means of arguing about the demands to change budgetary policy and the size of special appropriations — comprising mainly duplicated departmental requests — by its very nature testifies to its primitive and, naturally, ineffective approach. Departmental requests for the funding of "priority" needs in Russia often exceed the actual total capabilities of the federal budget by 150-200 percent or more. And by no means always do the departments explain clearly the specific targeted thrust of each of the billions or even trillions they are asking for. Moreover, we know from budget planning practice in the developed countries that the existence of an overall budget strategy makes it possible to amalgamate two or even three of the many requests from separate organizations, yielding considerable and painless savings for the budget and forcing people to treat it more rationally.

Admittedly, this requires a concept for the state's economic development, the existence of clear-cut economic tasks, the building of a budget strategy on that basis, and a clear demarcation between the powers and responsibilities of state organs and officials. Russia still lacks even the first of these mandatory conditions for the implementation of a well-thought-out budgetary policy — an economic concept or even a government program for economic development (attempts were made, but they were unsuccessful).

References to inflation and other economic difficulties may not be well-founded — there is sufficient international experience of overcoming or "getting around" them. It is more a question of a deliberate reluctance on the part of some and a lack of political will or the necessary consensus on the part of others. Taken together, this forms an insuperable obstacle to the ideas of deliberate targeted-program budget planning and their implementation.

Consequently, however correct individual committees in both houses may be about their demands to increase spending on various budget items, both parliament as a whole and the Russian public remain ignorant about just how economically justified their requests are within the framework of securing overall socioeconomic needs and priorities and taking account of the opportunities available to the country at this moment in time.

At the final stage of the discussion of the 1996 budget a whole slew of upper house committees voiced their dissatisfaction about the size of certain items of expenditure. Thus, according to calculations done by the Committee for Security and Defense Issues, the expenditure planned for next year has been effectively reduced in comparison with the "necessary" level — by 40 percent for the Defense Ministry, by more than one-third for law enforcement organs, by two-thirds for the Federal Border Service, and by 70 percent for Railroad Troops.

The Defense Committee considers the R1,212.4-billion increase in appropriations to be insignificant and notes that the sum envisaged by the budget for the purchase of arms and military hardware (R13.2 trillion) is 2.2 times less than the minimum amount permissible. It would allow existing production at defense enterprises to run at just 30 percent of capacity. Moreover, this sum does not meet the president's demand to allocate at least 21 percent of the overall appropriations on national defense to military purchases — which would come to R17 trillion.

In defining the current level of funding the expenditure on decisions made by the president and the government on the 1995 budget — the R5.2-trillion increase in salaries and wages, and the R2.4 trillion on the upkeep of the group of troops in Chechnya — were not taken into account either.

Late and incomplete funding results in defaulting. As of 1 December this year the amount owed by the Defense Ministry to Armed Forces personnel and to suppliers of goods and services was more than R13.1 trillion. In the opinion of the Federation Council Defense Committee, military appropriations in 1996 would have to be increased by R13.5 trillion to allow the Armed Forces to function normally.

The funds for the Russian MVD [Ministry of Internal Affairs] (R22.3 trillion) are earmarked mainly for the payment of salaries and for the provision of food to servicemen and special contingents in the penal system. As a consequence of this, general debts alone will exceed R2.8 trillion by the end of 1995 — equivalent to a month and a half's delay in salary payments. The draft budget for next year "failed to include" the repayment of the money owed. This means that R11.5 trillion will be spent on these purposes to the detriment of planned expenditure.

The Federation Council Committee for Agrarian Policy noted that the increase in expenditure on agriculture in the new budget is only an apparent rise. R14.5 trillion has been allocated to agriculture as opposed to R9.4 trillion in 1995. But, whereas the growth in spending on this item is 54 percent, the expenditure side of the budget as a whole is up 76 percent in 1996. Moreover, to all intents and purposes as of 17 November payments to the agro-industrial complex came to just 61 percent of the ratified indicators in this year's budget.

At the same time, it is planned to carry out state centralized capital investment and to allocate funds for the development of agricultural science and education and to water resources and forestry totaling R6 trillion. In total R20.5 trillion is envisaged for the needs of the agro-industrial complex, which, the committee believes, will meet just 20 percent of the requirement. Agriculture's share of budget spending was 19 percent in 1991, 9 percent in 1994, 3.8 percent in 1995, and will fall to 3.3 percent in 1996.

The section "Social Policy" comprises just 2.9 percent of total spending. It was noted at a State Duma session that the funding of the social sphere was said to be one of the priorities of the federal budget for 1996. But the meager funding shows, first, the ephemeral nature of the government's attempts to highlight the priorities of economic policy. Second, it has proved impossible to analyze the details of the funding of federal targeted programs, since the government made substantial changes to these programs at the last minute, 30 November.

The failure to achieve any coordination between the positions of the federal budget and Federation component budgets does not permit us to fully finance direct-acting federal laws — such as the laws "On Veterans" and "On the Social Servicing of Invalids." The payment of state pensions is not being fully funded — only R4.4 trillion has been provided for, as opposed to a requirement of around R8 trillion.

The upper house's Committee for CIS Affairs, noting that the flow of refugees and displaced persons to Russia along with the growing acuteness of the problem of population movements within the country as a result of the failure to resolve the interethnic conflicts in the North Caucasus, calculated that the overall number of refugees and displaced persons would exceed 1 million by the end of this year. At the same time, the "Federal Migration Program" for the first 11 months of the year has been only 66.6-percent funded from the appropriations earmarked by the budget.

The request under this program for 1996 takes account of the minimum resource requirement of R12.6 trillion — but only R2,198.35 billion has been allocated in the budget.

The federal fund for support for Federation components will be formed in 1996-1998 from 15 percent of the total level of tax revenue to the federal budget, excluding income tax on individuals and customs import duty. In order to reduce financial counterflows in recalculating transfer payments the possibility has been laid down of offsetting the sums due to the regions from the support fund against VAT revenue in the region in question. Spending on these purposes has increased by R300 billion compared with the draft budget.

Spending on science has increased by R0.5 trillion; the meager level of appropriations — which in no way ensures even the survival of this most important sphere for Russia's future — has been maintained.

Gradually building up the energy of budgetary action, the government was able to relatively easily outsmart the Duma and grasp the budgetary and fiscal initiative in the spring of 1995. Admittedly, it was unable to exploit its advantage — simply because it did not know why it needed to, unless it were to create a purely political effect for show. But even this essentially failed to materialize. The '96 budget seems as similar to the '95 budget as the two previous budgets were to each other — despite the seemingly major differences in the external conditions in which they were compiled. Their main similarity lies in their lack of any goal other than to maintain the viability of the current government. Ultimately, only the current government needs and benefits from the budget. For every other purpose both its form and content could be changed.

Official, semi-official, and independent economists claim as one that no particular changes in economic policy should be expected over the next six months. Does this mean that the Finance Ministry, by issuing on a quarterly basis 60 percent of ratified appropriations to some and 200 percent to others, will continue to run state activity in violation of the law? Or might the Finance Ministry itself be invisibly controlled by someone apart from the legally elected parliament?

It is high time to make this control fully legitimate, public, and transparent [osoznannyy]. Otherwise, other forces will emerge who dare to make a play for not only the odd trillion but even the shaping of budgetary policy in the genuine sense of that phrase, which is finally beginning the real shift toward the policy of stabilization and economic growth.

Council for Foreign Policy To Help Foreign Ministry

LD0301112696 Moscow INTERFAX in English 1011 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 3 (INTERFAX) — A presidential council for foreign policy, formed in late 1995 under a decree of Boris Yeltsin, will help the Russian Foreign Ministry. It is not directed against any departments or their heads, presidential foreign policy aide Dmitriy Ryurikov told INTERFAX Wednesday.

He emphasized the need for "better coordination of Russian foreign policy and unification of all of its spheres" in an exclusive INTERFAX interview. According to Ryurikov, Russia has not had such a comprehensive coordination of its foreign policy.

"Every state leader has his foreign policy department," noted the aide. He stressed the importance of control over fulfillment of foreign policy instructions given by the state leader. This task will be tackled by the council and its secretariat to work as a presidential department.

(The Council will include heads of the Foreign Ministry, the Defense Ministry, the Ministry for Foreign Economic Relations, the Ministry for Cooperation with the Commonwealth, the Ministry of Finance, the Federal Security Service, the Foreign Intelligence Service, the Federal Border Service and the Presidential Aide for Foreign Policy — IF).

The council will help elaborate major foreign political documents, said Ryurikov. "This is the only way to make every department carry out a state policy in one's sphere," he added.

The need for the foreign political council was also caused by the larger amount of Russian foreign political work. The Commonwealth has passed the disintegration period, and re-integration has started. Basic elements of this re-integration are the economic, customs and payment unions and expanded cultural relations between former Soviet states, said the aide.

Commenting on Russian foreign political priorities farther abroad, Ryurikov named expanded relations with China and other Asian states, as well as diplomatic efforts to ensure Asian and Latin American markets for Russia. "Russian European affairs and relations with NATO, not to mention the Russian-U.S. dialogue" are other key priorities, said Ryurikov.

"Russian relations with the world are growing complicated, but it is not that they are getting worse," said the presidential aide.

Polls Indicate Russians Favor Union State

MM0201153296 Moscow SOVETSKAYA ROSSIYA in Russian 30 Dec 95 p 3

[Report by the Center for the Study of Political Culture of Russia: "Will 1996 Be the Year of the Union State's Revival? Nostalgia for the...Future"]

[FBIS Translated Excerpt] In Russian history December is the month of constitutions, famed armed revolts, and fundamental changes in our fatherland's state system. The formation of the USSR (which marked the revival of historical Russia in its Soviet form) and the agreement signed by the three "Belovezhskaya Forest diehards" in the Wiskulewskaya bathhouse, which opened the present tragic chapter in the history of the Russian state system, are events in that category. The anniversaries of the 1991 Belovezhskaya Forest deal and the 1922 Union Treaty are now destined forever to stand alongside each other on the same December page of the political calendar as Russia's tragedy and triumph. And today, in respect of these events, the majority of Russians and representatives of the other peoples who make up that unique community which the poet and philosopher Daniil Andreyev called the Russian suprapeople look, surprising though it may seem, to the future rather than to the past as they become increasingly aware of the predetermined nature of the union state's revival on the geopolitical area of historical Russia. This is noticeable not only at the level of everyday observation of people's attitudes but also on the basis of the findings of numerous polls, including those carried out by our independent Center for the Study of the Political Culture of Russia (whose general director is Doctor of Historical Sciences Sergey Ivanovich Vasiltsov). [passage omitted]

Everyone understands that the demand that the union state be re-formed, which has dominated Russians' way of thinking, is by no means tantamount to the demand that the state be destroyed.

Incidentally, according to another poll carried out by the Center (back in 1990, when the republic nomenklaturas were beginning to proclaim the "independence" of their territories), highly significant answers were obtained to the question "Why is the USSR being allowed to break up?" More than 50 percent of Russians answered as follows: "Our people are patriots and they have found it difficult to realize that they are being governed by people who do not think about our own country."

Thus, looking at the "Belovezhskaya Forest process" from a sociological perspective, it is possible to identify two factors which favored the success of the visitors of the special Wiskulewskaya bathhouse in their destructive activity.

On the one hand, you have the peoples' understanding of the urgent need to reform the state, while on the other hand you have the deception of those very peoples by the potentates bent on pursuing their own self-serving criminal ends. [passage omitted]

Destructive Potential Exhausted

Even today's rulers realize that a powerful pro-unification wave has arisen from the depths of the peoples' aspirations. They realize this, but cannot, for all their fine words, act contrary to their destructive nature.

According to the Center's polls, back at the start of 1994 around one-third of Russians expected their rulers would make serious attempts to bring about Russia's state unification with Ukraine and Belarus. All the soundings of opinion conducted since then simply resound with the peoples' demand for the restoration of Russia's historical nucleus.

And here we have the latest findings. The poll conducted by the Center on the very eve of the 17 December 1995 election highlights a radical shift in Russians' attitudes. At least three-fifths of ethnic Russians and Russian citizens see the immediate state reunification of the three Slavic republics (Russia, Belarus, and Ukraine) plus Kazakhstan (or at least its age-old Russian Cossack lands) as a priority task for the country.

Unfortunately, the Center does not have data of its own on the evolution of proreintegration attitudes in the former union republics. But the information cited by EU sociologists in [March] 1995 strongly confirms the common pro-unification aspirations of the peoples inhabiting the areas of historical Russia.

What do the polls show us, then?! Wherever rulers have questioned their peoples about their unificatory aspirations in the form of referendums they have obtained unambiguously positive answers. I am thinking of Belarus and also Abkhazia and the Dniester Region here. And only the present rulers in the Kremlin (or, more accurately, at the Central Clinical Hospital, the sanatorium at Barvikha, and the dacha at Zavidova) pretend not to hear the voice of the people.

It took two years for Russia to revive in the form of the Union from the wreckage of the civil war. Today's quiet ideological civil war waged between the "common man" and state officials also seems, judging by the December election results, to be drawing to its end. So let us prepare and await historical Russia's second resurrection in the 20th century and, perhaps, its first in the 21st....

Russians' Attitude Toward New Unification with the Former Union Republics

(Center for the Study of the Political Culture of Russia All-Russia poll, December 1995, involving 1040 respondents in 48 regions of the Russian Federation)

The reunification of the Russian Federation with Belarus: Those wholly in favor (82 percent); those who consider it premature (9 percent); those flatly against (3 percent); those without an opinion (6 percent).

The reunification of the Russian Federation with Ukraine: Those wholly in favor (63 percent); those in favor of reunification, but only with eastern, not western, Ukraine (13 percent); those who consider it premature (16 percent); those flatly against (4 percent); those without an opinion (4 percent).

The Russian Federation's reunification with Kazakhstan: Those wholly in favor (51 percent); those in favor of reunification, but only with the Russian Cossack oblasts (26 percent); those who consider it premature (12 percent); those flatly against (4 percent); without an opinion (7 percent).

Military Issues

Power Ministers Halt Draft Alternative

MM0201182696 Moscow EKSPRESS-KHRONIKA in Russian 29 Dec 95 p 2

[Article by Lev Levinson: "Constitution Undermines State's Defense Capability"]

[FBIS Translated Text]

What Do the Military Want To Do to Alternative Service?

On 8 December the State Duma rejected the draft law "On Alternative Civilian Service" on its second reading.

President Yeltsin's recent proposal to speed up the adoption of the law was not greeted with understanding either by the majority of deputies or indeed by Premier Chernomyrdin. The latter sent a letter to Duma Chairman Rybkin 4 December completely rejecting the concept ratified in the first reading back on 14 December 1994. The observations made by the government chairman coincide word for word with the complaints made by a group of "power" ministry representatives in a joint address to Rybkin 16 November (signed by the following: ministers of Defense — Grachev; Internal Affairs — Kulikov; and Civil Defense, Emergency Situations, and the Elimination of Natural Disasters — Mikhaylov; commanders Nikolayev of the Border Troops and Kogatko of the Railroad Troops; and chiefs Colonel General Tumanov of special construction; Marchuk of the Ministry of Defense Highway Construction Directorate; and Kolesnikov of the General Staff).

The list of chiefs cited corresponds to the list of departments aspiring to command civilian service, which in their understanding is only acceptable in the form of "alternative" military service. The draft law, which is far from perfectly drawn up anyway and abounds in concessions, does not suit the military lobby for an entirely understandable reason: Although the use of "alternative servicemen" in military units and at defense installations is not ruled out in the existing version, the alternative civilian service itself is being removed from the control of the military. You can see what kind of hard labor Chernomyrdin and the generals want to turn alternative service into from their proposal to "rule out the possibility of a transfer from alternative civilian service to military service, since this testifies to the citizen's sincerity before the draft commission and the exercise of the right to alternative service as a means of avoiding military service." That is, "alternative" service will be so hard that military service will seem like a sanatorium in comparison — at the same time "ruling out the possibility of a transfer" back into the Army! Apparently citizens who have the misfortune to hold antiwar beliefs will have nails driven under their fingernails to establish that they are adequately sincere in their pacifism!

The desire of the bellicose Russian government "to entrust military commissariats with implementing decisions by draft comissions to send citizens for alternative civilian service and not hand these functions over to local self-government bodies" is just as remarkable. All that remains is to include representatives of the Moscow patriarchy on the staff of the military commissariats and thus (since there can be no other true religion in Russia!) provide an opportunity also to take religious motivation into account in choosing alternative service: either constructing a general's dacha or burning dead bodies in Chechnya.

That is how Viktor Ustinov, chairman of the State Duma Committee for Geopolitics, sees alternative civilian service: He has recommended that the draft law should not be supported "in its present form" until the following amendments and addenda are added: "A single reason should be established for refusing to perform military service — the reason of religion" (Comrade Ustinov has naturally not read the Constitution); "training courses should be held at units to obtain the necessary military skills"; and again "the right to draft people into alternative civilian service should be granted to military commissariats alone"; and "the spheres in which citizens drafted into alternative civilian service are to be employed — as civilian personnel of the Russian Federation Armed Forces or defense industry enterprises — should be enshrined in legislation." Even in a nightmare you could not imagine what would happen if the vigilant deputies did not listen to the geopolitical revelations: "The introduction in our country of the institution of alternative service in the proposed draft law (so! — L.L.) will entail the removal from Russia's extremely small draft contingent of up to 150,000 men (where did this figure come from? — L.L.) and do irreversible damage to the manning level of the state's military structures and their combat readiness and defense capability."

On 8 December, actually at the Duma sitting, another document turned up, signed by Grachev and as many as 44 generals. "In the present conditions, whereby because of the low manning level of combined units and units Army and Navy personnel are carrying out combat service at the limits of human capabilities," the generals write, "the State Duma's adoption of the laws will call into question the very existence of the Armed Forces and other types of troops, as well as their ability to ensure the state's security." Alluding to some nameless "laws" (which we must assume include the law on alternative civilian service), the Defense Ministry asks Rybkin with military bluntness "not to review the laws included on the agenda which undermine the state's defense capability."

The subversive law was successfully rejected under such a powerful attack. One obstacle remains for the 45 heroes and their uncle Chernomyrdin — the Constitution.

Lack of Funds Said To Imperil Air Force, R & D Efforts

MM0201161796 Moscow FINANSOVYYE IZVESTIYA in Russian 28 Dec 95 p 2

[Article by Anatoliy Sautin: "In 1996 the State Will 'Give' the Russian Army New Debts and Promises" — received via Internet]

[FBIS Translated Text] For several years now the Finance Ministry has cast a shadow over the Christmas holidays of the Russian Air Force. Instead of money, Santa Claus brings military fliers only promises for the new fiscal year.

This year the Finance Ministry has allocated to the Russian Air Force 13 percent of the requested sum. According to Nikolay Anisimov, assistant to the commander in chief of the Air Force for financial and economic work, this money is barely enough for pay, wages, and fuel. There can be no question of research and development work, the repair and modernization of old equipment, and purchases of new equipment.

"For the last few years budget appropriations for purchases of new equipment and arms and the implementation of research and development have been 35 percent of the required amount on average," Anisimov says. "Last year the Finance Ministry funded only 45 percent of the state order for the Russian Air Force. As of 1 January 1995 our debt to aviation plants was 500 billion rubles [R]. And six months later it was R765 billion."

Because of the lack of money for repairs and spares no more than 50 percent of the Russian Air Force's aircraft are serviceable. According to certain sources, the figure is 70 percent. And practically 50 percent of third-generation aircraft have long since reached pensionable age from the technical viewpoint.

It is possible to get aircraft into the air only thanks to the repair services. But the state is not paying them either. The Finance Ministry's debt to them over the first 11 months of 1995 was R100 billion.

The desire to survive and retain personnel is forcing enterprises to turn to bankers for assistance. Admittedly, as last year's experience shows, in the quest for life-preserving loans plants end up mired in debt. Credits totaling R6 billion were taken out in 1994, and fines and penalties for late payment totaled over R3.5 billion.

People in uniform sometimes have to resolve money problems on their own. They sell written-off property or earn money from shipments by air. In 1994 extrabudgetary income totaled R70.5 billion and $5.7 million. The profits, according to Anisimov, are invested largely in housing construction.

It is a long time since the troops have seen new equipment. Last year the Air Force received only 3 percent of the requested sum from the Finance Ministry for production and purchases of arms and military equipment. Thus the Defense Ministry was able to purchase only two military transport aircraft. Yet military financial workers recall that in better times there was enough money to totally reequip two regiments.

The wind blowing through the coffers of the military has been a whirlwind in the assembly shops of aviation plants. Producers have been forced to abandon plans for launching series production of promising equipment such as fifth-generation aviation complexes, strike aircraft for Long-Range Aviation, multirole front-line fighters, Il-106 military transport aircraft, and the Ka-50 and Ka-52 helicopters. Work to modernize the MIG-29 and Su-27M aircraft and a number of missiles, which bring the defense industry hard currency profits, has been halted.

In the opinion of a number of experts, in the very near future Russia will have nothing to bring to the world arms market. Russia has achieved high export indicators merely thanks to the new Asian markets. Will our defense industry be able to astound Arab shaykhs and Asian dragons with promising developments next time? Looking at the meager military budget, many experts doubt this.

The Russian MIG's and Sukhoi's were developed 10-15 years ago. According to specialists' forecasts, these and other machines will be in demand on foreign markets for another 10-15 years. But if design bureaus and research institutes are left without financial support, the Russian military-industrial complex may enter the next century without the necessary military-technical infrastructure. A country that only five years ago armed almost half the world risks being left without a strong air shield.

The funding problems I have described are not typical only of fliers. Wages to sailors, Air Defense Forces, and border guards are delayed. Servicemen's families have also been forgotten. The state's debts to kindergartens alone run into tens of billions of rubles.

Regional Affairs

Chechnya Reportage: Humanitarian Aid, Military, Politics

Humanitarian Aid to Chechnya Continues

LD3012104995 Moscow Radio Rossii Network in Russian 0900 GMT 30 Dec 95

[FBIS Translated Text] In the run-up to the New Year the Russian Ministry of Emergencies has sent 19 tonnes of humanitarian aid freight to the inhabitants of the Chechen Republic.

It is planned to continue this humanitarian action today and dispatch medicines and food to civilian inhabitants who have suffered in the armed conflict.

UNHCR Steps Up Refugee Operation

AU0201140296 Paris AFP in English 1304 GMT 2 Jan 96

[FBIS Transcribed Text] Geneva, Jan 2 (AFP) — The UN refugee agency is to step up its operations in Chechnya, following the flight of thousands of Chechens from fighting between Russian troops and separatists, a UNHCR spokesman said on Tuesday [2 January].

Spokesman Ron Redmond said the UN High Commissioner for Refugees team in the region would be enlarged from 14 to 16 members, following the arrival of 14,000 refugees, many of them suffering from fever and exhaustion, in Dagestan during the past two weeks.

He added that the Russian Government had authorised the increased staff.

Originally, the UNHCR had planned to complete its operation in Dagestan, Ingushetia and Ossetia, which neighbour the Caucasus breakaway republic of Chechnya, were due to be completed on December 31.

But, following violent clashes, particularly in Chechnya's second city of Gudermes, the UNHCR decided to extend its operations firstly for a month, then throughout the winter months — at least until the end of March, Redmond said.

The latest wave of refugees brings the number of Chechen refugees in Dagestan to between 35,000 and 40,000.

According to the UNHCR, there are a further 45,000 in Ingushetia.

It is believed that many of them have fled for a second time. They first left after Russian tanks rolled into the Chechen capital Groznyy in December 1994. They returned to Chechnya after a ceasefire agreed in June, but again took flight following the December fighting in Gudermes which claimed hundreds of lives.

Chechens Seen Opposing Stronger Militants

LD0201171396 Moscow INTERFAX in English 1402 GMT 2 Jan 96

[FBIS Transcribed Text] GROZNYY, Jan 2 (INTERFAX) — A relatively calm situation remained in the Chechen Republic in the first two days of the New Year. No serious clashes with illegal armed formations were registered, a spokesman for the federal forces command in Chechnya told INTERFAX on Tuesday.

This was due to the measures taken by the command of the federal forces to protect Groznyy and other Chechen settlements from attacks of militants.

At the same time, said the spokesman, the great role in preserving calm belongs to the republic's inhabitants, who, fearing that the Gudermes events could repeat in their settlements, oppose more resolutely illegal armed formations.

For example, in Shali, on the New Year eve, the elders council persuaded militants not to take active military operations against federal forces.

In Urus-Martan and Achkhoy-Martan the elders agreed with representatives of field commander Shamil Basayev that his detachment would not enter their settlements in the New Year days.

The inhabitants of Alkhazorovo forced the militants to leave their village. Earlier, from the village outskirts, militants repeatedly shelled federal forces provoking retaliation.

In Serzhen-Yurt the local inhabitants prevented the militants to set an ambush on the way of the possible passage of a convoy of federal troops. Similar opposition acts were also registered in other settlements of Chechnya, said the spokesman.

Meetings Between Opposing Sides 'Encouraging'

LD0301121096 Moscow ITAR-TASS in English 1141 GMT 3 Jan 96

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY, January 3 (ITAR-TASS) — Meetings between members of the Moscow-backed republican government and field commanders of separatist leader Dzhokhar Dudayev, which where held in various districts of Chechnya on Tuesday, yielded "encouraging results", first vice-premier of the republican government Abdula Bugayev said in an interview with ITAR-TASS here on Wednesday.

According to Bugayev, "a mutual desire for developing an intra-Chechen dialogue was recorded in several areas" as a result of these meetings.

The vice-premier noted that a qualitatively new stage now comes to the fore: to spread the positive experience of settling conflict situations in Achkhoy-Martan and Urus-Martan (Eds: these villages occupied by rebels were left by them peacefully after negotiations) to other regions of the republic.

"I spoke with representatives from the village of Vedeno this morning where the situation is especially tense," Bugayev continued. Detachments of rebels commanded by the Basayev brothers — Shamil and Shirvani — are in that area, the vice premier said.

"They do not display special aggressiveness," Bugayev added. The vice-premier noted that public representatives in Vedeno expressed readiness to welcome a delegation from Groznyy at the village.

"An intra-Chechen dialogue has serious prospects. It may radically help to stabilise the political situation in the republic," Bugayev concluded.

Better-Trained Reinforcements Replace Troops

LD0301093196 Moscow ITAR-TASS in English 0903 GMT 3 Jan 96

[By Nikolai Zagnoiko]

[FBIS Transcribed Text] GROZNYY, January 3 (ITAR-TASS) — Troops trained better than the previous contingent arrive in the Chechen Republic these days to replace servicemen from united federal forces, who served 18 months here (Eds: troops are enlisted for 18 months of active service at "flash points" and not two years as in all other areas of the Russian Federation).

ITAR-TASS learned from Major-General Vladimir Shamanov, deputy commander of federal forces for combat operations, that the military "took into account deplorable experience of the past" when selecting troops for reinforcements.

"We do not permit insufficiently trained and physically weak boys to serve at 'flash points'," the general noted.

Shamanov stressed that much attention was also given to psychological preparation. Special groups were formed at units wherefrom soldiers were selected to serve in Chechnya. All candidates underwent a course of additional training to serve under special conditions.

According to the general, the command of united federal forces drafted a special schedule which will help to accelerate the replacement of personnel who served here 18 months.

Validity of Election Results Questioned

MM0201162496 Moscow EKSPRESS-KHRONIKA in Russian 22 Dec 95 p 1

[Unattributed roundup of preliminary Duma election results — received via Internet]

[FBIS Translated Excerpt] [passage omitted] A statement by the "Democratic Union of Russia" (DSR) party entitled "Election During Plague" and issued 18 December says: "The elections in occupied Chechnya could not be conducted in accordance with all international standards." The statement says that at least 90 percent of the Chechen people did not vote in the elections. The statement's authors consider that everything shown on television about the elections in Chechnya was false. "People voted 20-30 times, noncitizens of Chechnya voted, Russian refugees voted in Moscow, and lists of voters were not compiled. Three television channels showed at one and the same time different figures for the numbers of people who voted in Groznyy: 27, 38, and 53 percent. Not one foreign observer made it to Chechnya. [passage omitted]

Zavgayev on Elections, Field Commanders

LD0201181696 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 2 Jan 96

[FBIS Translated Text] The leaders of the Chechen republic left for meetings with field commanders today. Doku Zavgayev, the head of the Chechen government, told us about the aim of the meetings.

[Begin Zavgayev recording] The aim is to achieve civil accord and compromise, to move away from the possibility of conflict of any kind. That is the global, strategic, aim. But this may include ending hostilities, handing over weapons, and appeals to the amnesties commission, as well as discussing problems connected with the employment of the population as a whole. This is all part of the policy that we called the intra-Chechen dialogue. [end recording]

Doku Zavgayev also reported that the Chechen government hopes to hold elections to the republic's People's Assembly in spring this year.

[Begin Zavgayev recording] All the citizens of the republic can take part in these elections, as well as the various parties and movements that have been set up. They will be one of the elements that will enable us to achieve accord within society. And by holding these elections to the People's Assembly in spring, we will finish setting up the bodies of power, legitimate bodies of power, elected by the people, not by groups or parties, but by the people. [end recording]

In Zavgayev's opinion, the elections should take place in March or April. However, the Chechen Supreme Soviet has to set the final date.

Zavgayev Favors Spring Elections

LD0201171696 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1200 GMT 2 Jan 96

[FBIS Translated Text] Elections to the Chechnya People's Assembly will be held in Chechnya in spring of 1996, Doku Zavgayev, head of the Chechen Republic, told Ekho Moskvy radio station.

He said these will be direct, free, and secret elections, in which all the citizens of Chechnya could take part, as well as various parties and movements that have been set up. "With these elections we will finish setting up the legitimate bodies of power elected by the people," Zavgayev stressed. "This will be the next step toward achieving accord in Chechnya."

The precise date of elections to the Chechnya People's Assembly has not yet been set, but Zavgayev believes they should be held in March-April.

Novaya Zemlya Designated Radioactive Waste Site

LD0201154196 Moscow INTERFAX in English 1518 GMT 2 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 2 (INTERFAX) — The construction of a test site, where radioactive waste from Northern Fleet ships will be recycled and buried, will begin on the Island of Novaya Zemlya in the Arctic Ocean this year, Yuriy Vishnevskiy, chairman of the National Nuclear Safety Committee, told INTERFAX.

According to him, several hundred billion rubles are to be spent on these needs. "Schemes of the project for building such a test site have already been worked out. They provide for using permafrost as a conservant," Vishnevsky said.

However a number of problems connected with the building of special ships to transport the radioactive waste accumulated at the naval bases on the Kola Peninsula, and with the building of a facility for recycling radioactive waste on Novaya Zemlya, are to be tackled yet, he said.

Summing up the results of 1995, Vishnevsky said that "despite the hardships of the period of transition in the country's economy, which is noted for cuts in production and lower labor discipline, atomic energy plants worked stably." "The nuclear industry displayed a high production culture," Vishnevskiy said.

According to him, the number of incidents at the nuclear power stations was reduced by about one-fourth. In defiance of financial difficulties, all nuclear plants in Russia engaged in reconstruction and modernization. The only acute problem they continue to face is how to handle radioactive waste. "Solution to this problem will require funds, rather than scientific or technical endeavors," Vishnevskiy pointed out.

However this problem is getting resolved gradually, he said. Apart from the construction of facilities for recycling and depositing radioactive waste on Novaya Zemlya, the problem of dealing with radioactive waste in Russia's Far East has been virtually solved. The liquid radioactive waste kept in two old tankers in Primorye Territory in the past few years has largely been recycled, Vishnevskiy said.

Further on Nuclear Waste Site Plans

LD0201193196 Moscow NTV in Russian 1600 GMT 2 Jan 96

[From the "Segodnya" newscast]

[FBIS Translated Text] The Russian Federation authorities have announced that the problem of radioactive waste has virtually been resolved in the Far East. They said that the liquid radioactive waste that has been stored in two old tankers in the Maritime Territory for several years has mostly been reprocessed.

Yuriy Vishnevskiy, chairman of the State Committee for Supervision of Nuclear and Radiation Safety, told an INTERFAX correspondent today that a start will be made this year on setting up an industrial proving ground on Novaya Zemlya, to carry out reprocessing and storage of nuclear waste. The designs for the project have already been drawn up, envisaging using permafrost as a preservative.

At the same time, VIshnevskiy said, lack of finance remains an acute problem, hampering the implementation of many important projects in the nuclear sphere.

Western leaders, however, are particularly worried about another aspect of this problem of lack of funds; they fear that nuclear technology and scientists will leak from the former USSR to third world countries.

Tyazhlov Reelected as Moscow Region Governor

LD3112100195 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 31 Dec 95

[FBIS Translated Text] Now the official chronicle: Moscow Region Governor Anatoliy Tyazhlov has been reelected. The electoral commission reported that in the second round of the elections Tyazhlov collected some 71 percent of the vote.

The second candidate, Valeriy Galchenko, was supported by 21 percent of Moscow region's inhabitants.

The new governor intends to use the best of all he had gleaned in the course of pre-election contact with his rivals:

[begin Tyazhlov recording] My rival candidates had many good, sensible ideas. I am studying them and I will use them. After all, each of my rival candidates was sincere in their striving to improve the situation and life in Moscow Region. [end recording]

Elections for Governor Deemed Valid

LD3012211895 Moscow ITAR-TASS World Service in Russian 2045 GMT 30 Dec 95

[FBIS Translated Text] Moscow, 30 Dec (ITAR-TASS) — The elections of the head of the Moscow regional administration are deemed valid. According to preliminary figures, at 2200 Moscow time a total of 27.78 percent have voted, which equals 1,446,187 people of the over 5 million registered in the electoral roll, the regional electoral commission told ITAR-TASS.

Novosibirsk Oblast Election Results Reported

964F0715A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 27 Dec 95 p 2

[Article by Vladimir Kuzmenkin under the rubric "Elections-95": "Figures and Comments"]

[FBIS Translated Text] In keeping with a quite ancient, but very pleasant for us, tradition, VECHERNIY NOVOSIBIRSK is always the first to report to its readers the results of any elections. This December, too, we correctly named the winners in single-seat districts the very morning after elections. The explanation is simple: We have a lot of friends, including some that are very well informed.... Today we publish the final data on the results of the elections to the State Duma in all four electoral districts on the territory of Novosibirsk Oblast, as well as data on voter activism and the results of the vote on party lists, plus our brief comments on these figures.

Tomorrow VECHERNIY NOVOSIBIRSK will publish a detailed analysis of the results of the first round of elections of the head of the Novosibirsk Oblast administration, and after the New Year break VECHERNIY NOVOSIBIRSK will definitely report on what we have in each single-seat district, as well as the federal one.

Voter turnout: Barabinskiy District—73.8 percent, Iskitimskiy— 68.5, Zavodskoy—63.0, and Zayeltsovskiy—63.9 percent.

Barabinskiy District:

1. Nikolay Kharitonov—34.9 percent; 2. Aleksandr Donchenko— 20.5; 3. Andrey Dorovskiy—15.7; 4. Vitaliy Trunov—8.5; 5. Viktor Nozdryukhin—6.5; against everyone—8.7 percent.

Iskitimskiy District:

1. Yevgeniy Loginov—24.2 percent; 2. Leonid Bochkarev—16.6; 3. Ivan Starikov—14.7; 4. Aleksey Manannikov—13.8; 5. Georgiy Ivashchenko—5.0; 6. Nikolay Krasnikov—4.0; 7. Sergey Sverchkov— 2.8; 8. Lyudmila Malvina—2.5; 9. Leonid Goldyrev—1.7; 10. Vladimir Terentyev—1.3; 11. Aleksey Pavlenko—1.2; 12. Yuriy Yefimov—1.1; 13. Vladimir Getmanov—0.9; 14. Oleg Chashkov—0.8; 15. Vladimir Anufriyenko—0.6; against everyone—6.1 percent.

Zavodskoy District:

1. Ivan Anichkin—14.2 percent; 2. Aleksandr Prosenko—10.4; 3. Frol Ananyin—9.5; 4. Stanislav [illegible]betskiy—9.3; 5. Gennadiy Pugachev—9.0; 6. Gennadiy Bessonov—6.9; 7. Pavel Isayev—5.2; 8. Aleksandr Kiselnikov—4.9; 9. Leonid Agafonov—4.3; 10. Anatoliy Stolbov—4.0; 11. Aleksandr Zhuravkov—3.4; 12. Nikolay Mikheyev—1.4; against everyone—17.0 percent.

Zayeltsovskiy District:

1. Arkadiy Yankovskiy—15.6 percent; 2. Anatoliy Lokot—14.3; 3. Vasiliy Lipitskiy—11.9; 4. Anatoliy Lyulko—8.8; 5. Sergey Pronichev—7.1; 6. Konstantin Komarov—7.0; 7. Vladimir Ivankov—4.9; 8. Ivan Permyakov—4.6; 9. Karim Kamalov—3.6; 10. Viktor Mamatov—2.4; 11. Igor Lyuzenkov—2.1; 12. Igor Batenev—1.7; 13. Oleg Shcherbanenko—1.5; 14. Ilya Konstantinov—1.2; 15. Vladimir Pakhomov—1.2; against everyone—12.2 percent.

Party lists:

1. Communist Party of the Russian Federation [CPRF]—20.1 percent; 2. Liberal Democratic Party of Russia [LDPR]—16.6; 3. YABloko—7.25; 4. Russia Is Our Home—7.0; 5. Party of Workers' Self-Government—5.2; 6. Women of Russia—4.5; 7. Congress of Russian Communities—3.6; 8. Communists—Working Russia—For the Soviet Union Bloc—3.35; 9. Forward, Russia!—3.2; 10. Democratic Choice of Russia—2.75; against everyone—3.6 percent.

The most important point is that the elections to the State Duma were successful. Skeptics who maintained that people could not care less, that they are tired of politics, and so on, have been put to shame. People turned out for the elections and voted for change. In the countryside activism traditionally was higher, especially in Barabinskiy District. In the city—and this is already customary, too—lower, but still, the figures for voter activism are impressive. Undoubtedly a very important factor was the fact that elections to the Duma were held simultaneously with gubernatorial elections.

Three incumbent State Duma deputies were re-elected: In Zavodskoy District Ivan Anichkin won again with a clear advantage; Nikolay Kharitonov again came confidently ahead of everybody else in Barabinskiy District; and Yevgeniy Loginov this time made it to the Duma not on his party's list but by winning the elections in Iskitimskiy District. The only newcomer in this company is Arkadiy Yankovskiy, whose victory in the Zayeltsovskiy District elections was a surprise to many, and is particularly impressive against the general Zyuganov-Zhirinovskiy background.

It should be noted that, according to sociological surveys, the name recognition of CPRF candidates measured 0.0, but they came within one step of victory everywhere, taking second place, and in Zavodskoy District Ivan Anichkin won with the support of the Communists. That is, people voted not for specific candidates but for the party. The same (with the exception of Yevgeniy Loginov) can be said about LDPR candidates, who also had a strong showing. As to the Novosibirsk democrats, as usual, they engaged in their favorite occupation—internal squabbles, and therefore their results in the elections are no surprise to anyone.

The vote on party lists also brought some surprises. The result, as everywhere, is unequivocal: The CPRF doubled its share and confidently took first place, while the LDPR, conversely, got one and a half times less votes, but firmly kept second place. The 5 percent barrier was surmounted by YABloko, Russia Is Our Home, and, unexpectedly for many, Svyatoslav Fedorov's Party of Workers' Self-Government. Among the fiascoes are the ambitious Agrarians—only 1.7 percent, and the self-assured Derzhava—2.5 percent. Gaydar had to settle for 2.8 percent in Novosibirsk. And a certain "89" Bloc got a whopping 0.06 percent of the vote....

Overall, Novosibirsk Oblast voted the way it always votes. And to those who today blame the mirror it can only be recommended that they study attentively their own...how to put it mildly...political face.

In conclusion let me congratulate everyone on the new political year, or rather, half-year, since the new year now begins on 16 June. Unless, of course, something happens—we live in Russia, after all.

Mayor To Resign as Result of Mukha Win

964F0715E Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 27 Dec 95 p 1

[Report by Vadim Yuriyev: "The Mayor Plans To Resign"]

[FBIS Translated Text] Viktor Tolokonskiy has written a letter of voluntary resignation. The context is clear: the upcoming change of authority in the oblast.

Our mayor warned us well in advance that unless Indinok was elected governor, he too would resign his post. Thus, Tolokonskiy's statement was, of course, no surprise to city council deputies, who held a closed-door session yesterday. It was also attended, by the way, by heads of rayon administrations, the head of Municipal Bank, as well as outgoing Governor Indinok.

This was probably the most emotional session in the city council's history.

It is unlikely that anyone except Tolokonskiy, Ivan Ivanovich believes, can keep the city services running in an environment of endless financial tribulations.

"Look at him," said Indinok, "his blood pressure jumps practically every day...."

The deputies unanimously voted to deny Tolokonskiy's resignation request. Nevertheless, Viktor Aleksandrovich refused to withdraw his request. Which means that in keeping with labor laws, just like any resignation notice, after two months it will become effective whether approved and signed or not.

Somewhat earlier, however, the city council made a decision to hold mayoral elections on 24 March. Whether Tolokonskiy will run is unknown at this point.

Politicians Comment on Mukha Win

964F0715D Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 26 Dec 95 p 1

[Comments by State Duma deputies and the president's representative in Novosibirsk, recorded by Vladimir Kuzmenkin: "Politicians Talk About the Governor"]

[FBIS Translated Text] The next day after Vitaliy Mukha's victory in the gubernatorial elections, VECHERNIY NOVOSIBIRSK asked some State Duma deputies and the president's representative to comment on the event.

Ivan Anichkin, State Duma deputy:

"I am happy with Vitaliy Petrovich's victory. In my opinion, it was to be expected. Against the general background of communist victory, naturally, this victory is no accident either. Our views largely coincide on what needs to be done and how. Especially regarding the need to put the executive branch under public control. I have no doubt that with Vitaliy Petrovich's ascension, discipline in executive branch structures will be tightened. We have worked together for a long time, and, I hope, will continue to do so in the future."

Arkadiy Yankovskiy, State Duma deputy:

"The people have voted against the incumbent authority. In the first round this vote was split, but in the second one it concentrated around Vitaliy Petrovich. We have repeated the Yekaterinburg situation.

"I believe that this is nothing to congratulate Novosibirsk Oblast about—I do not see in Mukha a person who will lead the oblast forward. At least not the way I would like to see it. But I will undoubtedly work with him, because the trust the voters have placed in him obliges me to do so. Therefore, for my part I can only say that I stand ready to provide the necessary assistance if the oblast needs it."

Anatoliy Manokhin, the president's representative:

"The voters taught the authorities a good lesson—they showed that they can replace them and that their opinion cannot be ignored. The authorities must be accountable! There will be no complications in relations with Moscow, as there were not during Mukha's first tenure in the job. So the highly trumpeted danger simply does not exist. And one more thing: The new governor must remember that he was elected by a small percentage of the electorate. All this should be analyzed, and consensus sought.

Economic Issues

Chubays Says Efforts To Stem Inflation Successful

LD3012145595 Moscow INTERFAX in English 1342 GMT 30 Dec 95

[FBIS Transcribed Text] MOSCOW, Dec 30 (INTERFAX) — Efforts to beat inflation in 1995 have succeeded, Russia's First Deputy Prime Minister Anatoliy Chubays has declared, summing up the past year results.

1995 started after "the Black Tuesday" and a record high inflation in late 1994, Chubays recalled. "Our main task was to curb the rate of inflation, which reached 18 percent a month at the time," Chubays said, adding that this task was on the whole solved. By the end of the year, inflation was reduced to three percent. That was quite an achievement, Chubays pointed out, adding that the government will do its utmost to "keep inflation in check."

With inflation receding, the gap between the rich and poor has been getting narrower. "1995 has shown us that by reducing inflation, we have managed to cut the number of people living beyond the poverty line in Russia by 20 million," Chubays claimed.

Reduced inflation creates an incentive for investment in production, high inflation plays into the hands of currency speculators, Chubays said.

"It is obvious that only by curbing inflation Russian banks can be persuaded to invest in Russian enterprises," Chubays said, voicing confidence that next year Russian businesses will for the first time get real access to credits, whose price will drop to 40- 50 percent."

Finance Crisis Could Trigger 'Catastrophic' Scenario

MM0201151496 Moscow FINANSOVYYE IZVESTIYA in Russian 28 Dec 95 p 2

[Article by Yevgeniy Vasilchuk: "Instability of Financial Markets Makes Economic Forecasts Unreliable" — received via Internet]

[FBIS Translated Text] In view of the results of the December State Duma elections several views on the country's socioeconomic development prospects in 1996 have emerged in the West and in Russia.

An impressive majority of analysts believes that the trend that emerged in 1995 toward stabilization of production and government control of the inflation indicators and parameters of GDP will continue. This is guaranteed by the firmness of President Yeltsin and Premier Chernomyrdin in implementing the chosen economic course and the opposition's clear reluctance to assume full responsibility for changing that course before the June 1996 presidential elections. This opinion is also essentially reflected by the "optimistic" version of the Economics Ministry forecast elaborated back before the elections.

A less common view is that the existing cabinet will moderately relax budget and credit and monetary policy. The rates of increase in prices and inflationary expectations will be higher in 1996 as a result. The investment crisis will continue, the boom in housing construction will end, and foreign capital is likely to be even warier. This scenario is presented by the "pessimistic" version of the forecast.

Finally, there is also a third possibility, one that representatives of the government and observers close to them do not like to mention. Nevertheless, it is not all that unlikely. According to the third, "catastrophic" scenario, in the first half of 1996 the effects of several unfavorable objective factors in the economy may be compounded by a deterioration in the sociopolitical situation, the resignation of the Chernomyrdin cabinet, and entirely disorderly actions by the new government to impose a "new economic order" in Russia.

If events do begin to develop according to the "catastrophic" scenario, the trigger for this will certainly be a crisis in the credit and financial system.

Extremely disturbing trends are continuing to develop in late 1995 in the banking sector and in financial markets. There are no signs of the restoration of confidence in the interbank loan market. The state is continuing its crazy building of a debt pyramid in an attempt to reconcile the irreconcilable: monetary restrictions and a lowering of short-term rates. Reports have emerged that several major banks are on the verge of effective bankruptcy. Finally, the depressed currency market leaves no hope that we can expect from that quarter signals giving timely warning of the onset of an unmanageable full-scale crisis.

Thus, all other things being equal, the Russian economy remains practically defenseless in the face of the looming upheavals in the financial sector. The bankruptcy of a group of banks and associated financial institutions may paralyze the already meager lending to the real economy, particularly industry. On the other hand, there is still no reliable machinery for maintaining a sufficient level of liquidity in the banking system without creating a wave of inflationary expectations and speculative and panicky feeling on the currency market.

The situation is slowly but surely moving in the direction of the statization of several major banks and then, as necessary, sectors in the real economy. But if the existing government starts to take these measures, this will immediately bring about a sharp shift in the disposition of political forces.

Central Bank Backs Action Against Currency Control Body

MM0201170896 Moscow FINANSOVYYE IZVESTIYA in Russian 28 Dec 95 p 3

[Article by Vladimir Kovalevskiy: "Bankers Believe Federal Currency Control Service Is Breaking Existing Laws" — received via Internet]

[FBIS Translated Excerpt] The Moscow Court of Arbitration has found in favor of the First Professional Bank in its action against the Russian Federal Service for Currency and Export Controls.

The Moscow Court of Arbitration found that the decision by the Russian Federal Service for Currency and Export Controls on fining the First Professional Bank $3.5 million for violations in the accounting of currency exchange transactions was invalid.

The Central Bank of Russia, which supported the action by the First Professional Bank, also expressed its opinion on the case as a third party.

Thus a precedent has been set for the Central Bank, for which its Moscow main administration acted, not merely interceding for a commercial bank but in its comments questioning the legality of the complaints of an organ of federal power against a commercial financial institution. In the opinion of many observers, this is evidence of the continued formation of the entire Russian banking system and of the development of mechanisms making it possible to resolve disputed matters in a civilized fashion.

The affair in question began back in June 1994, when the Russian Federal Service for Currency and Export Controls, after checking the activities of the First Professional Bank's exchange points, imposed a fine of $200,000 on the bank. The bank refused to pay the fine and protested the Federal Service's decision in a court of arbitration, citing the law "On Currency Regulation and Currency Controls," under which the procedure for penalizing residents is laid down by the Central Bank.

This is specifically addressed in Central Bank instruction No. 21 "On the Procedure for Organizing the Work of Points for the Exchange of Foreign Currency on the Territory of Russia." According to this normative document, the right to impose and levy a fine belongs to the Bank of Russia alone. Therefore, in the opinion of the plaintiff, the Russian Federal Service for Currency and Export Controls clearly exceeded its powers in intruding into the Central Bank's sphere of activity and fining the First Professional Bank on the basis of its own demands, rather than those of the Central Bank. [passage omitted]

In the opinion of Anatoliy Fedoseyev, deputy chairman of the Federation Council Committee on Constitutional Legislation and Judicial and Legal Questions, the Justice Ministry should examine the question of the status and powers of the Russian Federal Service for Currency and Export Controls and then adopt a special decision bringing both the status and powers into line with existing legislation.

However, it is precisely the Justice Ministry (in the person of Deputy Minister Andrey Stepanov) that passed a finding in the summer asserting that the Federal Service should be regarded as the organ of currency control.

The ministry's finding is not a normative act that corporate bodies and individuals must implement. Nevertheless, the Russian Federal Service for Currency and

Export Controls is clearly suited by this decision, and on its own initiative conveyed the contents of the Justice Ministry's letter to the General Prosecutor's Office, the Higher Court of Arbitration, the Central Bank, and its own territorial services, clearly endeavoring to demonstrate to everyone that it is indeed the "organ of currency control." Neither the Central Bank, the Federation Council committee, the Association of Commercial Banks, nor of course the banks themselves agree with this formulation of the question, which in their view leads to "dyarchy" and erosion of the Central Bank's functions.

The decision of the Court of Arbitration in favor of the First Professional Bank's position eloquently attests that the problem is indeed pressing, and the sooner it is officially resolved the more smoothly the formation of the Russian banking system will go.

Ministry Seeks Funds To Improve Exports' Structure

MM0201150496 Moscow FINANSOVYYE IZVESTIYA in Russian 26 Dec 95 p 1

[INTERFAX report: "Federal Export Support Program Developed" — received via Internet]

[FBIS Translated Text] The federal program for supporting exports developed by the Russian Ministry of Foreign Economic Relations is geared mainly to processing sectors and presupposes boosting the share of finished output in Russian exports to 40 percent by 2005. This was stated in a discussion with journalists by Mikhail Sarafanov, deputy head of the Russian foreign trade department. He announced that the document was submitted for government examination the other day and will be ratified at the 28 December cabinet session. According to the Ministry of Foreign Economic Relations, financial support of $0.6-1 billion will be needed to ensure a stable increase in the proportion of finished output in Russian exports. The sums required are needed "for investment in export projects, for the provision of soft loans and insurance for export operations, and to provide access to foreign markets for Russian exporters."

Year-End Foreign Exchange Operations Slow Down

MM0201151896 Moscow FINANSOVYYE IZVESTIYA in Russian 26 Dec 95 p 1

[Report by Igor Doronin, Moscow Interbank Currency Exchange adviser on market conditions: "Foreign Exchange Review" — received via Internet]

[FBIS Translated Text] By year's end the increased demand for rubles for accounting purposes, the making of tax payments, and the repayment of loans is having a growing impact on the situation in all segments of the money market. That is why the dominant trend on the foreign exchanges is surplus supplies of foreign currency on offer from the commercial banks. Nonetheless, over the past week it has proved possible, thanks to the smoothing effect of the Central Bank's intervention on the foreign exchanges, to avoid any sharp fluctuations in the dollar rate. This is shown by the high volumes of net sales of foreign currency seen on the Moscow Interbank Currency Exchange over the week.

The Central Bank has also maintained the equilibrium between the exchange and the over-the-counter market, which has ensured relatively insignificant rate fluctuations in exchange trading during the week. During this period the rate has increased by just 0.1 percent. And the midweek rise in the rate had given way to a decline by the week's end.

The German mark experienced more significant fluctuations. Nonetheless, by the end of the week it was virtually at the same level as it had been at the beginning.

The relatively low volume of operations and the relatively small number of commercial banks taking part in trading were typical of the foreign exchange market at the end of the year. This shows that the foreign exchanges have noticeably lost their role as an important segment of the money market. Most activity is currently concentrated on operations involving state securities. It seems as though this trend will persist into the early part of next year.

Norilsk Nickel Combine To Sell Shares on U.S. Market

MM0301093696 Moscow FINANSOVYYE IZVESTIYA in Russian 28 Dec 95 p 1

[INTERFAX report: "'Norilskiy Nikel' Begins Placing Depositary Receipts in United States"]

[FBIS Translated Text] The "Norilskiy Nikel" Russian joint-stock company, which accounts for over 20 percent of world nickel production, intends to begin placing depositary receipts for its own shares on the U.S. over-the-counter market. Vladimir Mekhanik, the company's finance director, disclosed this to INTERFAX.

"Norilskiy Nikel" is currently negotiating with the Bank of New York and the Merrill Lynch financial and investment corporation, which, according to V. Mekhanik, will buy up company shares on the Russian secondary market and then place the receipts relating to these shares in the United States.

In general at present shares in the "Norilskiy Nikel" Russian joint-stock company are quoted at only $4-5 per share on the Russian over-the-counter market, which does not reflect their real value. According to V. Mekhanik, in reality the shares should go for at least as much as shares in the Canadian company "Inco," the other major world nickel producer, which go for around $40 per share.

The increase in the share price, in the opinion of the finance director, should be facilitated by the company audit which Coopers and Lybrand Russia, a subsidiary of the British firm Coopers and Lybrand, is now carrying out by contract with "Norilskiy Nikel." The audit report, V. Mekhanik disclosed, will be presented to the annual meeting of company shareholders, which will be held around May 1996. The finance director did not rule out the possibility that the auditing contract with Coopers and Lybrand Russia would be extended for a further year.

According to preliminary estimates, the real incorporation capital of "Norilskiy Nikel" is around $7-8 billion.

Agreement With De Beers Seen as 'Tricky'

MM0201143896 Moscow FINANSOVYYE IZVESTIYA in Russian 28 Dec 95 p 1

[Report by Elmar Guseynov: "From a Client of De Beers, Russia May Become a Rival" — received via Internet]

[FBIS Translated Text] Talks were held in Moscow last week between representatives of Russia's diamond structures and the De Beers corporation. As many analysts had supposed, the talks were fruitless.

The Russian delegation included the top leaders of all the departments concerned. The Russians were headed by First Deputy Finance Minister A. Vavilov. The Russian Committee for Precious Metals and Precious Stones was represented by Chairman Ye. Bychkov, the "Almazy Rossii-Sakha" ("ARS") Company by President V. Shtyrov, and the Russian Ministry of Foreign Economic Relations by First Deputy Minister Yu. Grekov.

De Beers sent to Moscow the cream of management responsible for the diamond trade and for the Russian area of the corporation's work — De Beers Director Nicholas Oppenheimer, Central Selling Organization (CSO) Directors Anthony Oppenheimer and Garri Reyf [names as transliterated], and Michael Farmilou [surname as transliterated], leader of the CSO Russian service.

The talks discussed the possibility of concluding a new agreement. The old agreement, whereby Russia sells via De Beers 95 percent of all the domestic diamonds intended for export, expires 31 December this year.

The Russians brought to the current round of talks their own version of a market agreement approved by our country's government. It stipulates quotas for diamond deliveries from Russia to external markets. The De Beers leadership was intending to discuss its own proposals, which were conveyed to Moscow during Vice Premier Oleg Soskovets' recent visit to the Republic of South Africa.

Attempts to reach a mutually acceptable solution took the talks into an extra day. From the outset the Russians were unhappy about De Beers' main demand — guaranteeing the corporation the exclusive right to purchase the diamonds produced in Russia. This totally deprived our country of any opportunity to develop the domestic market in precious stones and would have forced Russian cutting factories to purchase their own raw materials via De Beers.

Ultimately the only thing the parties to the negotiations arrived at was a decision to postpone the talks until mid-January. Russia also pledged during this period not to issue permits for the export of customer-supplied raw material. In the meantime the current agreement has been extended until the start of February. In the assessment of informed observers, the progress of the current discussions makes it possible to suppose that it will be tricky to reach agreement between the Russians and South Africans even if consultations resume in January.

Eyewitnesses note two peculiarities of the December round of talks. First, the rare unanimity within the ranks of the Russian delegation. And, second, the rather tough stance on De Beers adopted by "ARS" Company Chairman Vyacheslav Shtyrov. The company has hitherto traditionally been regarded as a lobbyist for De Beers among Russia's power structures.

All the indications are that, carried away with playing on nerves and with various scenarios for pressuring Russia, the De Beers leadership has lost the opportunity to conclude a new trading contract with our diamond industry. Over the course of this year the Russian Government has adopted a number of decisions qualitatively changing the prospects for the development of our country's diamond and brilliant complex. The main element here is the plan to create our own diamond trading organization, including for purchasers from abroad. The existence of specific government decisions has rallied the hitherto uncoordinated ranks of Russian functionaries and narrowed the room for maneuver of De Beers' lobbyists in Russia.

Vyacheslav Shtyrov's behavior must have been significantly influenced by Premier Chernomyrdin's instructions to the Finance Ministry 7 December to carry out a total inspection of the financial activities of the "ARS" Company. The company not only contrives to have debts running into many billions, but since September has not paid wages to the main categories of workers in Yakutia's diamond-mining regions.

The position of the Russian government circles monitoring the state of affairs in the domestic diamond and brilliant complex is influenced by the objective decrease in Russia's dependence on retention of the former methods of cooperation with De Beers. Thus, out of the $2.7 billion made by our country in 1994 out of various ways of using diamonds, only $1.1 billion came from sales of raw materials via De Beers. Moreover, competition for raw materials from Russian diamond producers is becoming increasingly acute. In the last two years they have steadily been buying up $900 million of rough diamonds each year, and they will certainly increasingly be given preference over the South Africans.

In general Russia is extremely unhappy with the existing structure of the domestic diamond and brilliant complex. While Russia has around a 25 percent share of world diamond mining, it has only a 6.7 percent share in the cutting of brilliants and a mere 0.4 percent share of gemstone production. The program for the development of the Russian diamond and brilliant complex currently being elaborated envisages a sharp increase in the proportion of raw materials processed in Russia, an increase in the export of finished brilliants and jewelry, and also development of the domestic market for these products, which will inevitably lead to increased consumption of diamonds by domestic producers and reduced supplies for export. It is this that De Beers cannot stomach.

Our delegation's position at the talks was bound to have been influenced to some extent by the numerous offers to purchase diamonds directly, without the mediation of De Beers, received recently from cutters in India, the United States, Belgium, and Israel. Including some from major clients, so-called "siteholders" of De Beers itself. In total these offers entirely cover the whole quota for diamond purchases by the South African concern.

Incidentally, the creation of our own diamond trading organization in Russia may lead sooner or later to an end to exports of these precious stones in the present form via De Beers. [Article ends as received]

Expanded Powers of Tax Police Examined

MM0201140896 Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 pp 1, 3

[Article by Sergey Almazov, director of the Russian Federal Tax Police Service: "Tax Police's New Powers"]

[FBIS Translated Text] The law on federal tax police organs which is entering into force has long been awaited. Primarily because it creates legal prerequisites for the solution of a problem which has acquired statewide, nationwide dimensions, and contains a serious threat to the economic foundations of society. It is a case of tax crime, which has become massive in Russia.

Moreover, by virtue of certain reasons in recent years a trend has emerged toward a further increase in the number of tax violations and crimes. For instance, whereas in 1993 the tax police organs uncovered a little over 3,000 tax law violations on large and particularly large scales, in 1994 this indicator was in excess of 8,300 and in the first three quarters of 1995 the figure was already over 9,000. There has been a corresponding increase in the number of criminal proceedings instituted: In 1993 the figure was over 600, in 1994 it was about 2,500, in the first three quarters of 1995 it was over 2,600. The problem of tax arrears has become extremely aggravated, comprising last year an astronomical figure of tens of trillions of rubles. Forecasts by the most experienced analysts have given no grounds for optimism but on the contrary have predicted a new eruption of tax crime.

The reason, alas, is a banal one — anyone who transgressed the law was in fact unpunished or at best got away with a small fright, as they say. Because of prevailing circumstances bringing them to book was an extremely difficult business. The federal tax police organs were given the right to institute criminal proceedings but they could only investigate them in the form of an inquiry. Then the materials were handed over to the investigation organs of the prosecutor's office or the MVD [Internal Affairs Ministry] — for investigation.

From that moment the tax police would in fact lose control over their progress. To understand the further course of events you have to know the situation which had taken shape in the prosecutor's office and MVD investigation organs. They are literally inundated with cases of murders, muggings, and theft and have a very acute shortage of experienced cadres. usually here they would choose the lesser of two evils: They would primarily take on urgent cases which as a rule involved human victims. And the "quiet" tax cases were put off "until better times" and ultimately were suspended on some plausible pretext or other. They were also reluctant to take them on because the investigation of such cases required a profound knowledge of economics, finances, and tax legislation and there are very few such specialists here.

This practice in fact reduced to nothing many of the tax police's efforts. For instance, according to the results for 1994, the completion of criminal cases instituted involving tax crimes was just 7.8 percent. Having made a certain allowance for possible omissions by the tax police investigators it may be said that nine out of 10 of those charged with tax crimes escaped liability for what they had done. And, as we know, impunity provokes a new wave of crimes.

Now the tax police will institute criminal proceedings, carry out an inquiry into the case and conduct the preliminary investigation and hand the materials on directly to the court. Thus the single cycle of proceedings is restored — from the detection of a tax crime to the charging of the criminal. The tax police's acquisition of the right to carry out expert economic studies and criminal law studies connected with the study of documents is logically part of this context.

The implementation of this law will not require great additional expenditure. The investigation apparatus of the federal tax police organs will be deployed on the basis of inquiring subdivisions which have already accumulated a certain cadres potential and gained specialized experience. Nonetheless it must be said frankly that the granting of investigatory powers gives the Federal Tax Police many additional concerns and its leadership a headache. Previously one could always cite circumstances, thus avoiding blame. Now we cannot blame anyone. But we have deliberately taken on the additional responsibility guided by the interests of the cause, not the department.

I should also like to note the following point. Many lances have been broken over the law which is entering into force or rather over its draft. There were opinions that the tax police should not be given investigatory powers since that contradicts the general concept of legal reform. That reform, people said, envisaged removing the investigation from departmental dependence and creating an independent investigation committee. But life has shown that this idea will not be implemented soon, since it will require large material expenditure. But the solution of the very acute problems on which the state's economic security depends cannot be put off until tomorrow. Nonetheless I want to stress that if a single investigation committee is created the tax police will be prepared to hand over their investigation apparatus to form part of it. But that will be an effective structural subdivision which has accumulated great experience and is ready to continue work in a new capacity.

International Affairs

INTELNEWS Previews Defense Secretary Perry's Visit

WS0301085996 Kiev INTELNEWS in English 0047 GMT 3 Jan 96

[By Oleksy Rokachuk, Devid Cogan and Oksana Hasyuk, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev/Los Angeles, Jan. 2 — U.S. Defense Secretary William Perry will arrive in Ukraine Thursday for a landmark visit that will see him participate in the destruction of a nuclear missile silo and involve him in possible mediation between Ukraine and Russia.

Perry was scheduled to visit American troops in Italy and Hungary on Tuesday at the start of a week-long trip that will take him to Bosnia, Ukraine and the Middle East before returning to the United States Monday.

Perry will be accompanied on his visits by Army General John Shalikashvili, chairman of the Pentagon Joint Chiefs of Staff and by former Defense Secretary Richard Cheney.

The defense secretary will be received by President Leonid Kuchma and Prime Minister Yevhen Marchuk and discuss with Foreign Minister Hennadiy Udovenko and Defense Minister Valeriy Shmarov Ukrainian implementation of the Trilateral Agreements signed by the presidents of the United States, Russia and Ukraine on Jan. 14, 1994.

The agreements stipulate withdrawal of nuclear weapons from Ukraine to Russia for dismantling and destruction. Russia in its turn is required supply Ukrainian nuclear power plants with fuel.

About 70 percent of Ukraine's strategic have been removed from their silos as a result of the agreements. [as received]

Invited to Ukraine by Shmarov, Perry and Russian Defense Minister Pavel Grachev will participate with Shmarov in the destruction of a Ukrainian SS-19 missile silo.

"This visit is truly an historic event," says a senior U.S. Defense Department official. "While the Cold War barely ended four years ago, we have come so far as to be able to have trilateral meetings among equal partners."

The silo is the first to be dismantled in Ukraine with U.S. funds. The assistance comes from the Nunn/Lugar cooperative threat reduction program. The NL program in Ukraine is now funded at almost $350 million, of which $215 million goes to strategic offensive arms elimination, including ICBM silo elimination, building a neutralization facility to dispose of SS-19 rocket fuel and related projects. Ukraine has utilized $75 million of this money.

After blowing up the silo, the three defense chiefs will travel to the nearby Mykolayiv oblast town of Pervomaisk for a press conference and then visit a housing complex for demobilized Strategic Rocket Force officers — another Nunn/Lugar project.

The housing is "very much part of the denuclearization program in Ukraine," says the defense official.

The visit is also a first in that its itinerary calls for trilateral talks between the three defense officials. Although U.S. officials say that the chief topic of discussion will be the participation of the three countries in the NATO-led Implementation Force to enforce the recently signed Bosnian peace agreement, it is also expected that Perry will participate in talks to resolve remaining points of friction between Ukraine and Russia, including the division of the Black Sea Fleet.

U.S. officials several times in 1995 offered their services in mediating between Ukraine and Russia.

"That all three of us having troops in the former Yugoslavia in the Implementation Force, working together to create regional stability in an area which has been tormented by conflict since the end of the Cold War, is very, very significant to us," said the U.S. official.

The domestic political reaction in Ukraine seems to be one of guarded enthusiasm.

Volodymyr Mukhin, a Socialist who heads the parliamentary defense and national security committee, said that the "Shmarov-Grachev-Perry meeting is very useful because sometimes certain incomprehension exists when a third party doesn't understand what the two others do."

According to Mukhin, the United States showed "certain displeasure" when Ukraine and Russia signed the November Sochi accords which, among other things, provided for the supply of Ukrainian arms to Russia.

"At present, we have the real possibility that Ukraine will face the problem of disarmament 'tet-a-tet,'" Mukhin said.

"While analyzing situation in the former Yugoslavia and Chechnya, we consider the security of our country in a new fashion," said Mukhin, who is the head of a commission which worked out a new Ukrainian doctrine of state security. The doctrine, to which Parliament gave preliminary approval in May, amends the country's declared non-aligned status to stipulate that participation in the systems of collective "European security (is) a basic ingredient of Ukraine's national security".

During the course of his visit, Perry will also tour a wide range of Ukrainian military facilities, such as Pavlohrad Mechanical Plant and another ICBM base in Khmelnitskyy.

Official Calls U.S. Disarmament Aid 'Inadequate'

AU0301081296 Paris AFP in English
0413 GMT 3 Jan 96

[FBIS Transcribed Excerpt] Kiev, Jan 3 (AFP) — Ukraine's defence minister Valeriy Shmarov will update his Russian and U.S. counterparts this week on his country's progress towards nuclear disarmament, two years after Kiev agreed to scrap its atomic arsenal.

Shmarov, Russian Defence Minister Pavel Grachev and U.S. Defense Secretary William Perry will meet here Thursday [4 January] before going on to the strategic missile base at Pervomaysk to watch the dismantling of a silo of SS-19 rockets Friday. [passage omitted]

The foreign ministry official responsible for the disarmament process, Vladislav Demianenko, said that Washington and Moscow were happy with the way things were going in Ukraine.

"We have already received and are continuing to receive the U.S. aid to meet our requirements," he added.

However certain members of the Ukrainian parliament are sceptical that even the three years of negotiations before denuclearisation achieved the right result.

"Ukraine is respecting all its commitments on disarmament, but Western aid and especially that from the United States is inadequate," said Vladimir Mukhin, chairman of the parliamentary defence and security committee.

"The United States always insists on what is to its advantage, but when it comes to funding the promises are immediately forgotten."

National Affairs

Kuchma's New Year Address to Nation

WS0301101596 Kiev UKRINFORM in English
0755 GMT 3 Jan 96

[Address to the nation by President Leonid Kuchma, date not given; from the "Current Events" feature]

[FBIS Transcribed Text] Dear countrymen, the year 1995 is coming to an end. This brings us one step closer to the year 2000. At this point in time, each one of us is reviewing the outgoing year and making plans for the coming year. Will the new year be a better one? Will we live a better life? Will peace and understanding reign in Ukraine? Of course, we all hope for a positive answer and for a better future.

The outgoing year marked the continuation of the difficulties which the people of Ukraine are experiencing in their third attempt at rebuilding their nation. The year 1995 will be remembered as the year that marked the beginning of radical reforms aimed at bringing Ukraine into the family of developed nations. Without doubt, we are facing considerable difficulties today. For some, the difficulties are unbearable. No nation on earth has managed to resolve the tasks which we have undertaken within a short period of time. I am very much convinced that if we continue to implement the reform programs, most of you, dear countrymen, will witness a change for the better. It will be very irresponsible, immoral, and very dangerous to spread the illusion of a quick solution to our social and economic problems. We want such a future in which the human being will come first. Without this, we will have no nation.

Ukraine is made up of our individual houses and families. To me, the word fatherland means nothing if it is not connected with particular persons and if it does not have anything to do with the lives of each family. The way in which Ukraine will further develop, the way in which it will enter into the twenty first century, and the destiny of our children and grandchildren depends on our understanding of that word. The year 1995 once again confirmed the ancient Ukrainian saying that human dignity and restraint are capable of neutralizing all attempts at discord. Such human qualities not only help bring inflation under control, they also affirm the democratic ideals, which have always been an inseparable part of our traits.

We were able to avoid the most terrible thing — political crisis. The constitutional agreement opened the way for the formation of strong and indestructible principles of government in Ukraine. The President's call for us to welcome the twenty first century in peace and understanding is based on human wisdom. I am very convinced that the new year will be remembered in Ukraine as the year of the Ukrainian Constitution and a year that will bring Ukraine recognition and respect. We can conclude that with the ending of the year 1995, Ukraine has made a historical turnaround. Ukraine has overcome the most difficult stage in its development and has embarked on building a modern nation. Therefore, I am welcoming the new year with a sense of great pride in my people, with a sense of deep gratitude to my people for their faith and patience, and with a sense of hope for a peaceful and happy life.

I will like to express special thanks to the members of the older generation, those who shouldered the weight of this century with its enormous burdens. The 50th anniversary of the victory in the second world war was proof of the fact that we are not rejecting our history and the destiny of our fathers. We are obliged to double our efforts in order to ensure that you have a warm and peaceful old age, so that we will not be ashamed to look into the eyes of those of you, to whom we owe our lives. I wish you success, faithful friends and self confidence in the year 1996. I also want to congratulate all mothers, wives, and sisters. Your kindness, warmth, and grace are an embodiment of Ukraine. We also remember those who are not with us now. Those who, at this moment, are working to maintain and guarantee our peace and security. I heartily congratulate and express deed gratitude to workers and peasants, scientists and engineers, servicemen, and teachers, as well as all those whose selfless labor holds the country together and guarantee its future.

On the eve of the new year, we should all try to remember that there are more things that unite us than divide us. In particular, this concerns politicians, representatives of various parties, organizations, and faiths. We all have a common history and a common fatherland. I also congratulate the millions of Ukrainians all over the world.

I also extend our congratulations to all the peoples of the world. We, the Ukrainian people, are known for our friendliness, warmth, and readiness to offer a helping hand. For this reason, we are respected all over the world. 1995 was the year in which Ukraine gained international acceptance. Ukraine's admission to the Council of Europe served as confirmation of the correctness of our choice of the European model of development. The commemoration of the fiftieth anniversary of the United Nations Organization, of which Ukraine was one of the founding members, demonstrated the interdependence and interrelations between the peoples of the world. Ukraine is gradually assuming its rightful place in the world community. Therefore, we are entering the new year with optimism since our thoughts and intentions are noble. Dear countrymen, I hereby wish all of you a happy new year.

Foreign Minister Reviews Achievements in 1995

AU0201133496 Kiev HOLOS UKRAYINY in Ukrainian 27 Dec 95

[Interview with Foreign Minister Hennadiy Udovenko by HOLOS UKRAYINY; place and date not given: "Ukraine and the World. How Do They Coexist?"]

[FBIS Translated Text] [HOLOS UKRAYINY] The year 1995 is about to end — the fourth year of Ukraine's existence as an independent state. As we sum up its results in foreign policy, what main achievements of our country over this period would you mention and what problems have still to be resolved?

[Udovenko] No doubt, this year was out of the ordinary from all points of view, including in the sphere of foreign policy. In my opinion, the results of Ukraine's foreign policy activity over this year must be considered positive.

I would, first and foremost, single out Ukraine's joining the Council of Europe. Of course, there is still much we need to do to bring our national legislation in line with the demands and standards of the Council of Europe. It is pleasing, however, that Ukraine's achievements in the sphere of developing democracy and a pluralistic society, as well as building a law-governed state strictly adhering to the principles of human rights, including the rights of ethnic minorities, have been well received by European countries and European institutions, in particular, the Council of Europe.

Among the other main results of Ukraine's foreign policy activity I would mention a more general one: Over 1995, Ukraine's international image has improved considerably. This could only be achieved because, starting from the second half of 1994, under the leadership of the Ukrainian president, certain amendments have been introduced into our state's external political course, and its external policy has become primarily oriented toward Ukraine's economic interests and has become more pragmatic, more flexible, and more dynamic. Looking simply at strictly formal indexes of the external political activity, the number of negotiations, visits, and extremely important accords signed over this year is unprecedented.

Ukraine's relations with leading Western states have considerably improved. In 1994-95, the Ukrainian president paid visits to practically all G-7 states, with the exception of one. Ukraine's relations with the G-7 countries are already acquiring characteristics of constructive partnership, and it is not simply a political dialogue that is taking place between us, but concrete and important work.

Ukraine has also managed to raise to a new level its relations with European structures and European institutions, such as, for example, the European Union. This year, a temporary agreement was signed that is expected, in the very first days of 1996, to put into effect articles on trade in the major agreement on partnership and cooperation between Ukraine and the European Union. Ukraine's relations with NATO have acquired a new quality.

Ukraine's presence at the Euro-Mediterranean conference that took place in Barcelona under the auspices of the European Union must also be regarded as an achievement. Ukraine's participation in the conference means, in fact, that our country has also been recognized as a Mediterranean state. This is only fair. Practically all of Ukraine's sea communications run through the Mediterranean.

One more important achievement should not be passed over in silence. Over 1995, Ukraine's dialogue with the Russian Federation was raised to a normal businesslike, constructive, and open level. Precisely this year, many questions that had been on the agenda of bilateral relations were resolved. The initialing of the Agreement on Good-Neighborly Relations and Cooperation was, in our opinion, the main political achievement in Ukrainian-Russian relations. On a very wide range of issues, concrete talks have started, and they are still under way.

What problems remain for next year? We are taking along into the new year a series of problems that we will deal with. This applies, in particular, to certain issues on the agenda of Ukrainian-Russian relations.

There also remain problems of Ukraine's bilateral relations with other states. For example, over this year we have failed to reach understanding on the text of the bilateral Ukrainian-Romanian agreement, and this work will continue next year.

Those tasks that the Ukrainian president and government set before Ukraine's external policy after proclaiming the course toward reforms remain outstanding for the year 1996. They include intensification of cooperation with European economic structures, the problem of implementing the major agreement on partnership and cooperation between Ukraine and the European Union, and preparation for new negotiations with the European Union on creating a free- trade zone between Ukraine and the European Union, as well as intensification of our cooperation with the Western European Union. They also include Ukraine's participation in the "Partnership for Peace" program. A separate program for our cooperation with NATO has already been approved, but we believe that it may be expanded and go beyond the framework of the "Partnership..." and we are currently conducting a dialogue with the North Atlantic Alliance on this.

We will continue to take part in the collective efforts of the world community aimed at settling crisis situations and maintaining peace.

Next year, one of the important tasks that Ukrainian foreign policy will have to deal with will be considerable intensification of our relations with countries of the so-called "Third World." Generally speaking, Ukraine's relations with its immediate neighbors, which, in accordance with the Main Trends of Ukraine's External Policy, are our top priority, are more or less in order and have a corresponding contractual-legal foundation, of course, taking into account the points that I mentioned earlier. Intensification of our relations with countries of the Asian, African, and Asian-Pacific Region, and also with Latin American countries, is now on the agenda. A certain political foundation has already been laid here, including for the current year's issues, but this is work with long-term prospects.

Ukraine will continue its vigorous activity in the framework of those international structures in which it already participates, first and foremost in the United Nations.

Thus, there is much work ahead. If, summing up the results of the year, I say that we have managed to fulfill everything that has been planned, this would be wishful thinking. However, I want to state with full responsibility that we have managed to fulfill most of what was planned. These are not just big words, but what Ukraine has managed to achieve owing to its decisive course of internal reforms and vigorous external political activity.

[HOLOS UKRAYINY] You spoke about considerable improvement in relations with Russia. What is the fate of the large-scale interstate agreement between our countries that still remains unsigned? Will the Russian president ever visit Ukraine? What is the largest obstacle to the development of relations between Ukraine and the Russian Federation?

[Udovenko] As I have already said, an intergovernmental agreement was initialed in the spring of 1995; it is ready for signing, and we hope that this will take place next year. We believe that, on the Ukrainian side, practically nothing currently hampers the onward march of the Ukrainian-Russian relations.

There certainly exist various factors that influence these relations in one way or another. In particular, on the part of some Russian politicians, the attitude toward the development of the Ukrainian-Russian dialogue is not always proper or constructive. Besides, the complex of issues, including very sensitive ones, is too big to be solved overnight. However, the most important thing has, by now, been achieved — the political atmosphere in the relations between our countries has improved to such a extent that they have ceased to be a matter of increased "concern" on the part of the world community or sensational (negatively so) information by the world mass media. They have entered a normal course. As regards individual problems, they frequently emerge between neighboring countries anywhere in the world and are taken care of through diplomatic ways.

[HOLOS UKRAYINY] In what shape are relations with our other neighbors in the region and in the European home?

[Udovenko] As I already mentioned, our relations with such G-7 countries as the United States, Canada, and Germany have been raised to a new level. Our president's visits to Great Britain and Italy were fruitful. Wide prospects for cooperation with France have opened up. Over 1995, our relations with close and immediate neighbors, in particular, the Czech Republic, have received a new impetus. Relations that presently exist with Poland, Hungary, and Slovakia can be considered exemplary. In 1995, contacts with Northern European countries and with regional structures of this region have intensified. Our external political department will also continue working in this direction next year.

[HOLOS UKRAYINY] Ukraine and the CIS. How effective is the work of the Commonwealth? How do you visualize the CIS fate in the near future?

[Udovenko] We still believe that the CIS as an interstate structure may have quite good prospects for developing and working effectively primarily in the economic sphere, provided that all decisions, adopted within the framework of the CIS, in particular, in strengthening economic cooperation, will be implemented and will be adopted taking into account genuine interests of all states that are participants in the Commonwealth.

Here it seems to us that the Commonwealth is an important and useful instrument and that every participant may find possibilities for cooperation within this structure.

Ukraine has defended this position from the very beginning of the CIS existence and will stand up for it in the future.

[HOLOS UKRAYINY] What international event of this year would you call the main one in the diplomatic life?

[Udovenko] Of course, the Dayton accord that is expected to ensure peace in the former Yugoslavia. It is a long-awaited event that has become a result of the four-year long diplomatic efforts on the part of the world community, including Ukraine.

[HOLOS UKRAYINY] Thank you, Hennadiy Yosypovych, for the interview. Accept our paper's best wishes for the New Year and every success for Ukraine's external political department in its activity.

[Udovenko] Thank you. I also greet all readers of this prestigious paper with Christmas and the New Year. May this be a happy year for all of us. May Ukraine's voice [holos] be heard everywhere and HOLOS UKRAYINY be read everywhere.

Communist Regional Representatives Seek Return to Past

MM0201175496 Moscow EKSPRESS-KHRONIKA in Russian 22 Dec 95 p 3

[Unattributed report: "Communists Understand One Another" — received via Internet]

[FBIS Translated Text] A republic Society of Associations of Communist People's Deputies of Local Councils [sovety] and the Supreme Councils of Crimea and Ukraine has been formed. This took place at the first congress of communist deputies of village, settlement, city, and rayon councils and of the Supreme Councils of Crimea and Ukraine 16 December. Some 447 delegates assembled for the congress. Chairmen of all Crimea's city and rayon councils and leaders of a number of trade union organizations also participated in it. The congress participants adopted a manifesto that mentions the communists' intention to "restore the achievements of October and repeal the Belovezhskaya Forest agreements." Apart from this, the communists intend to "fight privatization and private ownership of land." In the words of Leonid Grach, chairman of the Crimean Communist Party republic committee, "the congress has not only been called on to coordinate the efforts of all communist deputies but also to equalize the balance of powers." Also present at the congress was Ukrainian communist leader Petro Symonenko who stated: "The Crimean communists' present initiative will help to provide support for deputies of all levels when the necessary draft laws are elaborated in the Ukrainian Supreme Council."

UNA-UNSO Reshuffle, Warns of 'Possible Civil War'

AU0301091696 Lvov ZA VILNU UKRAYINU in Ukrainian 26 Dec 95 p 1

[Report by Myroslav Paranchak: "Changes in the UNA-UNSO Leadership"]

[FBIS Translated Text] Personnel changes have been taking place within the leadership of the UNA-UNSO

[Ukrainian Nationalist Assembly-Ukrainian People's Self-Defense]. From now on, Serhiy Kolomiyets will head the oblast leadership, replacing Andriy Shkil, who has been promoted to a leading position in the central leadership in Kiev. One of the main reasons for this reshuffle, according to Kolomiyets, is the need to intensify the activity in the western territories, just as will be done in the Kharkiv and Donetsk Oblasts. Lvov will continue to play the role of the state's spiritual capital.

Serhiy Kolomiyets has supplied information about himself at a meeting with journalists: A former Soviet Army officer, he has been a UNA-UNSO member since 1992, and was a commander of a subunit in the Dniester region and a observer at the fronts in Yugoslavia. He took part in the Georgian-Abkhazian conflict. He characterizes the present state of society as a portent of a possible civil war. The state power does not function and the political system and economy are in ruins. There is no peasantry, no workers, and no intelligentsia. All of these need to be put in order through consolidation around the national ideal. Radical political forces, which also include the UNA-UNSO, will play the most active part in this process.

Stepan Mertsal has been appointed chief of staff of the regional leadership. He sees his role at this post in the need to train forces that would be able to rebuff external intervention or aggression by those neighbors who increasingly voice claims upon Ukraine.

Ostap Kozak has been appointed head of the Press Center and editor of the UNA-UNSO's regional newspaper.

Commentary on Agreement With G-7 on Nuclear Plants

AU0201174796 Kiev MOLOD UKRAYINY in Ukrainian 28 Dec 95 p 1

[Commentary by MOLOD UKRAYINY columnist Olena Hubina: "The 'Peaceful Atom' Will Move Westwards?"]

[FBIS Translated Text] The "peaceful atom" will move westwards? Lest somebody's heart should sink upon hearing such a statement, we will immediately specify: To the west, indeed, but to the west... of Ukraine. The closing down of the Chernobyl Atomic Electric Power Plant [AES] must be compensated for by two new power units to be built at the Rivne and Khmelnytskyy AES's. Work on the design for additional construction at these plants is nearing completion. Meanwhile, the Ukrainian Government signed the Memorandum on Closing Down the Chernobyl AES.

This event took place at the end of December in the Canadian capital, Ottawa. It was no surprise, as the text of the memorandum had been coordinated between the Ukrainian Government and the G-7 well in advance. It only remained for Yuriy Kostenko, Ukrainian minister for environmental protection and nuclear safety, to put his "autograph" on the document. He himself optimistically assesses the results of the talks and the signing of the documents and stresses that the West has shown noticeable understanding for our state's problems.

To a certain extent, one can put it the other way round — that Ukraine has shown considerable understanding for the position of the West. Of course, our state's reputation in the world arena is quite peculiar: It bargains too much and then readily gives in. This was the case with the nuclear weapons and now with the Chernobyl AES. Yet, having a reputation of a quiet and consistent partner, Ukraine could not step aside pretending that the West's insistent persuasion had nothing to do with it. Yuriy Kostenko does not conceal the fact that pressure was really exerted upon Ukraine. However, what would we achieve by refusing to accept proposals expressed in foreign languages?

During the bargaining with the G-7 countries, our state advanced the condition of financial compensation necessary for closing down the Chernobyl AES and compensating for losses in electricity due to this shutdown. Some social compensation for those workers of the plant who will lose their jobs would also be handy. However, the West stated point-blank: Social problems are your own problems.

As estimated by the Ukrainian side, the closing down of the Chernobyl AES must cost $4 billion. $1 billion per power unit. However, Yuriy Kostenko says that advanced countries are only capable of offering Ukraine $2.3 billion. Of this sum, $1.8 billion will be credit resources.

The greater part of the funds — about $2 billion — will go for the development of Ukrainian power engineering. $349 million will be earmarked directly for guaranteeing nuclear safety and decommissioning the Chernobyl AES. Concurrent with this, Western countries promise to help reconstruct a number of thermal electric power plants in Ukraine. Considerable assistance in this will be provided by a Canadian company, which is undertaking to reconstruct, at its own expense, the Darnytsya Thermal Electric Power Plant in Kiev. If the contract is implemented, the effectiveness of the plant will increase by more than 40 percent.

The Canadian Government is also ready to help Ukraine in resolving the problem of storing spent fuel at the

Chernobyl AES. Final positions on this issue will be clarified in the course of negotiations with Ukraine's State Committee for Atomic Energy.

Still, there remains an aftertaste of yet another Ukrainian concession to the West. Not because the Chernobyl AES will be closed down — we have long believed that "it serves it right." We found ourselves in similar situations before: Mountains of promises of help, but in reality, the main burden fell upon our state anyway, and it could not "save" funds or resources for financing other acute needs. Some specialists stress a different aspect of the problem. In their opinion, the West strives to create a precedent with closing down power units of RBMK [Soviet light water cooled, graphite moderated reactor] class that work at the Chernobyl AES. If these reactors are found to be unreliable, it will later be possible to demand that such power units be also closed down in Russia. This is already a matter of the electricity production market.

Returning specifically to the Chernobyl AES, Ukraine's compliance may also be due to the following reason. The problem of shelter for the fourth power unit [destroyed by the accident in 1986] remains outstanding. Ukraine does not have the necessary funds to resolve it. If, however, the Chernobyl AES is closed down in general, this may provide the necessary money.

The provisions of the signed memorandum are to be discussed during the forthcoming G-7 meeting in April 1996 in Moscow. According to Yuriy Kostenko, Ukrainian President Leonid Kuchma will also be invited to that summit.

Economic Issues

National Bank Official Interviewed on IMF

WS0301110196 Kiev INTELNEWS in English 0129 GMT 3 Jan 96

[Interview with National Bank of Ukraine Foreign Department chief Oleh Rybachuk, by Fedir Storozhenko; date and place not given; from the "Economic Review" feature; lead paragraph is INTELNEWS introduction]

[FBIS Transcribed Text] Ukraine will have to gain better control of inflation and deficit spending, plus learn to repay loans on time if it hopes to qualify for a three-year $4.5 billion credit assistance program from the International Monetary Fund, according to the National Bank of Ukraine's foreign department chief Oleh Rybachuk. Ukraine enjoys a beneficial partnership with IMF experts, but additional assistence — like that from the World Bank — is contingent on progresss in economic reforms. Rybachuk was a member of Ukraine's financial team attending last fall's IMF board meeting in Washington, D.C. In his interview with Economic Review, the NBU official frankly discusses Ukraine's reputation with the IMF and the future.

[ER] One year ago, the International Monetary Fund provided Ukraine with the first credit, how has the relationship worked?

[Rybachuk] This has been a year of active cooperation with the International Monetary Fund. Now, IMF officials say that if Ukraine hadn't received the first credit, stand-by credits wouldn't be available because the economic decline would have been catastrophic. Meanwhile, almost all foreign financing that supported Ukrainian economy, was given through the IMF and the World Bank.

Several international agencies have worked in Ukraine and provided NBU with assistance. For example, the mission from the European Parliament provided consultations to reform the IMF assistance program for the third quarter and plan the program for the fourth quarter.

The IMF board of directors will meet in mid-January to consider the question of providing Ukraine with the fourth portion of stand-by credit. And what is even more important for Ukraine, they'll discuss further relations between Ukraine and IMF.

[ER] What is Ukraine's reputation with IMF leaders?

[Rybachuk] As far as we understood, during the last regular IMF meeting in Washington, D.C., it's an easy period for Ukraine to obtain assistance. We didn't meet problems with obtaining the first two portions of credit, except the remarks posed to Ukrainian officials about a higher speed of reforms. It would be fine if these ambitious targets could have been hit.

Meanwhile, in the third quarter we had some problems with budget, and printing more money to solve them may be possible even now. This dangerous economic policy in Ukraine may have serious consequences.

The government and IMF reached an agreement earlier that the targets for the end of the year wouldn't be changed, which means the budget deficit and inflation would be on the scheduled level.

In summer, we had a certain misunderstanding that spoiled our relations with the IMF a bit. (Editor's note: Rumors about introducing Ukraine's currency Hryvnia caused panic and a run on banks, throwing many close to insolvency.) We felt that officials in Washington were displeased with the misunderstandings that occurred because Ukrainian officials offered some special method of overcoming the crisis. (Editor's note: Ukraine's government printed additional Karbovantsi to buy U.S. dollars and stabilize the crisis.) The second problem was that Ukraine hinted that it could itself revise its obligations under it's working relationship agreement with the IMF.

[ER] How did the Ukrainian delegation account for the origin of these misunderstandings?

[Rybachuk] Prime Minister Yevhen Marchuk managed to convince participants of the meeting in Washington that Ukraine's government under his leadership will not take steps outside the program, or take a step back from or change the direction of anti-inflation policy or controlling the budget deficit.

[ER] What are the prospects of future relations between Ukraine and the International Monetary Fund?

[Rybachuk] We asked about that in Washington and we were told that the speed of reforms during the first half of 1995 became slower due to the previously mentioned misunderstandings and due to settlements with Russia and Turkmenistan for natural gas. Meanwhile, IMF acted as guarantor that Ukraine would fulfill obligations that have been taken. The debts were repaid with a one- or two-week delay, and that financial disorder added fuel to the fire in negotiations.

The positive thing was that the Parliament approved the program of government activities. On the other hand, continuation of the dialogue between Ukraine and IMF for a larger credit provided for three years, depends on successful execution of the government program.

The credit funds would be paid three times during the three-year period. That is, Ukraine could receive $1.5 billion per year or $4.5 billion total. To get the credit, the government should work out a five-year program of economic development. This credit would fund the program of structural changes within the economy.

IMF also provides credit as urgent assistance to states that have an urgent problem, while the stand-by credit addresses the problem of repayment deficits.

[ER] Is receiving the $4.5 billion-credit realistic for Ukraine?

[Rybachuk] For the most part they are in Latin America and Africa. Among European countries, only Lithuania receives this credit. Lithuania has the most effective program and the country received 50 percent of credit requested. The rest of countries received from 30 percent to 50 percent. The factors that determine the amount received is success of the economic reform and capacity to repay. Unfortunately, Ukraine doesn't have financial discipline or capacity to pay back credits on time. The fact that Ukraine can't fulfill external obligations could complicate receiving stand-by credit in the fourth quarter of the year.

The questions of the budget deficit and repayment of foreign debts are very real for Ukraine now. If Ukraine doesn't improve the situation, the country's image will be spoiled. Even in discussing the question of providing Ukraine with the third portion of credit, many of directors said that Ukraine didn't follow the rules of IMF membership.

We have typical problems: We take credit and then think that everything is still fine when the repayment is detained for a week or two.

[ER] That means that IMF assistance to Ukraine may be cut?

[Rybachuk] Regarding the lack of financial discipline in Ukraine, one IMF official said that even a day's delay of payment obligations causes great damage. You can not pay one day earlier or one day later, this official said. Meanwhile it's better to pay one day earlier because even a one-day delay is harmful to your image.

That is why the execution of foreign obligations is question number one for us. IMF supported Ukraine's position to restructure the state's debts to Russia and Turkmenistan, and if the debts are not repaid, the image of the International Monetary Fund can be also damaged.

Some IMF directors voiced the opinion that stricter conditions have to be applied to Ukraine to make the country fulfill the program.

That is why (economic) indexes for the last months of the year are very important for Ukraine, because Parliament's approval of the reforms is simply a declaration. The budget will show how expenditures will be covered with income, the speed of privatization process and speed of restructuring the economy.

These last months will show the connection between declared intentions and their fulfillment. That is why when we tried to pose the question about additional credit, the answer was, "Let's successfully complete the first stage, let's receive the last portion of stand-by credit and then we will talk about the $4.5 billion credit and stabilization fund for Hryvnia, but now we need to carry out the program to execute existing credit."

[ER] According to IMF, does Ukraine have more positive or more negative qualities?

[Rybachuk] From the beginning, the government program was regarded as ambitious and complicated. Meanwhile, Prime Minister Yevhen Marchuk's visit to Washington and President Leonid Kuchma's visit to Latin America supported Ukraine.

Eastern European countries that started these processes earlier — Poland, Hungary, and others — have had a real increase in their gross domestic products. The Czech Republic even managed to repay IMF credits and attract huge foreign investments. Even those countries that started the processes later and didn't follow the rules too strictly, have already succeeded with reforms. Russia managed to keep inflation on the level of 3 percent per month. Now Russia speaks about the yearly level of inflation 4.8 percent.

Ukraine is in the group of third countries that started reforms with great delay. That is why the price we need to pay is higher than that paid by countries of the first two groups. That is why we have to follow this program. The budget remains a principle question for us.

[ER] Does the IMF pay attention to relations between Ukraine's executive and legislative powers?

[Rybachuk] IMF is an organization dealing with economics. IMF officials assumed a waiting position to see how Parliament would support the governmental program and how the program itself is to be fulfilled.

The president obviously doesn't have absolute support of a majority in Parliament. For example, Parliament's resolution on specific features of land privatization in Ukraine can practically cease the privatization process in Ukraine. We speak about how to attract investments, while this lack of logic in interactions between the two branches of government is one more factor that forced our potential donors to assume a waiting position and increased the number of skeptics on the IMF Board.

[ER] Private investors also wait for an improvement in the economic situation in Ukraine, don't they?

[Rybachuk] The execution of stand-by credit and the summer's delay of reforms led to the situation that most investors suspended investing Ukraine. The IMF can't force anybody to come to Ukraine. The potential investors decide themselves if it useful or not to support some program.

I would cite the Baltic countries as an example. The program they successfully executed has received the most support. Ukraine itself cut the biggest part of possible investments and financial support.

[ER] Some people say that IMF doesn't promote the development of Ukraine's economy and agreement between Ukraine and the IMF even restricts the production of rolled metal and other products important to Ukraine.

[Rybachuk] The IMF does not impose any restrictions on production of certain products. The logic is very simple — everybody has live on the means he possesses. Only the country with a profitable economy can effort big expenditures. The economy needs to be built to make the state rich, and than the state would be able to support high technologies and scientific research. Government itself has to decide what industry needs support. Prime Minister Marchuk has said that Ukraine will not support all enterprises, only those oriented to export, profitability and the most strategic.

[ER] So Ukraine's working agreement with the IMF does not include the restrictions on metal production?

[Rybachuk] The agreement comprises the most important factors: budget deficit and credits that can be received by the government from the NBU. There are, of course, limits on printing money, and it's not a secret that until the end of the year the government may receive very few credit resources from the national bank.

And the agreement says nothing about production limitations.

[ER] Monetary reform was postponed in Ukraine and among reasons was the lack of a stabilization fund. Did you conduct talks with IMF about this problem?

[Rybachuk] The stabilization fund is like a stand-by credit, but the conditions are more strict. The question there is having really little inflation as well as the range of other macrocosmic indexes.

IMF gives the stabilization fund to the country that needs to be protected from some external influence, for instance the drop in the course of Yen. That decision can be approved in future. Meanwhile, now the IMF board of directors believe that the execution of stand-by credit will give the possibility to start a new round of talks.

[ER] How effective are stand-by credits in Ukraine?

[Rybachuk] We might say that by using them Ukraine managed to restructure its debts to Russia and Turkmenistan. It was a question of survival for us. If the credits have not been received and the debts were not restructured, we would have had a complete collapse of the national economy considering that Ukraine didn't have other sources of financing.

The most important thing is that working with IMF we have a steady partner with extensive financial experience and help overcoming financial problems. Now we're discuss the draft law on the National Bank of Ukraine. There is one expert in IMF that has elaborated several dozens of laws on the national bank. The best economists, the best experience, the right statistics, the experience of 26 countries regarding the measures that need to be taken to overcome difficulties — it's difficult to undervalue all that assistance.

Kazakhstan

Nazarbayev Views Reforms, CIS Future, Trade

AU0201171796 Sofia TRUD in Bulgarian
28, 29 Dec 95 p 9 & 19

[Interview in two installments with President Nursultan Nazarbayev by Dimitrina Gergova in Almaty "in December 1995": "Kazakhstan Is Proposing To Replace the CIS With a Euro-Asian Alliance"]

[FBIS Translated Text]

First Installment - Dec 28

[Gergova] Mr. Nazarbayev, this year sees the 10th anniversary of "perestroyka." The disintegration of the USSR is a direct result of this. As a participant in those events, how do you see them now from the perspective of time?

[Nazarbayev] Much is being said now about the disintegration of the USSR, which used to seem eternal. Was it an accident, the evil wish of other people, or the order of the time?

I somehow conclude that there was no other solution for an autocratic regime based on an economic system closed within an iron curtain. Our economic and political system lost the competition with the Western system. Indeed, a third of our economic system was completely geared to military production.

As long as we had natural resources, especially oil and natural gas, this was not a major problem. However, the more those cheap resources became exhausted, the more the situation deteriorated. I think that the crisis in the USSR began in 1976.

[Gergova] You were a close colleague of Gorbachev. Could you respond to the claim that he destroyed the USSR?

[Nazarbayev] Naturally, a leader of Gorbachev's caliber is responsible for developments. However, it must be admitted that Gorbachev began a great cause by trying to open up the USSR, which was closed to the world. He wanted to transplant here the free Western habits and politics. This is his historical merit. However, until the last moment Gorbachev was not able to declare whether he wanted to preserve socialism, or advance toward a Western economy. Indeed, while he released the entire state train, even by August 1991 he had not determined where this train was going.

He himself admitted the mistake that he had not utilized people's enthusiasm in 1987-88 to carry out a radical economic reform and replace and break the old apparatus. I think that the assessment that he himself made is correct.

[Gergova] Even now Gorbachev adheres to the socialist idea.

[Nazarbayev] Yes, but then it would have been more understandable if he had taken the Chinese path. Whatever happened happened, but we could at least have avoided the total collapse that we are witnessing.

I think that the disintegration was prompted by three reasons. The first, as I have already said, was the economy. The second was the declaration of the unity of the Soviet people, which actually was not a fact but the result of fear. Every nation and every people saw that the russification of the entire country was under way and that the national identification of every republic was about to be lost. When a little freedom was granted, everything that had been built upon wishful thinking burst like a balloon. The third reason was the deceptive thesis that the Communist Party was steadfast and would always keep people in a state of subjugation.

[Gergova] You said that years ago Gorbachev erred in not determining the direction in which he was leading. Have you determined Kazakhstan's direction?

[Nazarbayev] Kazakhstan has determined its future in a precise manner: We are building a social market economy; we are carrying out a broad privatization and have succeeded in stabilizing the economy and stopping the fall in production. We have also effected the country's macroeconomic stabilization. I think that we are on the verge of an economic upsurge.

When we accomplish all this and see the results, the people themselves will understand in what direction we are heading. Then we will construct our ideological future, i.e., we will select our way of living. However, first we have to construct our economy, i.e., our house, and then all the rest.

[Gergova] Kazakhstan is a CIS member. Do you have the feeling that the CIS has outlived its purpose?

[Nazarbayev] I have repeatedly said that CIS was better than nothing after the disintegration of the USSR. However, I have proposed the idea of forming an Euro-Asian alliance, such as the EU. There will be no big and small brothers or big and small states, but only an alliance of states and peoples that mutually respect each other and can live together without conflicts. Only the economy can accomplish this.

[Gergova] Do you mean that an Euro-Asian alliance should replace the CIS?

[Nazarbayev] This would simply be an alliance of those CIS states that are interested in closer economic cooperation than the existing one.

[Gergova] Mr. Nazarbayev, according to the new Constitution, you have enormous power. Are you concerned about claims that there is no democracy?

[Nazarbayev] When I decided to hold the first referendum on extending the president's prerogatives, I openly told the population: "I will strengthen the power. If you support me, after this referendum I will propose a new Constitution, which will include a strong executive power, which will assert order in the country, combat crime, and conduct the reforms in the normal way — let me say this openly — from the top to the bottom. This is something you cannot do from the bottom." This is what I said. The people supported me. Indeed, when you are the first leader of the country and are at the top of the hierarchy, it appears that there is no one to control you. However, you are controlled by your own conscience and the historical responsibility to the people who have entrusted you with their fate. It is my understanding that such power is needed today under conditions of the Kazakh mentality, so as to create a really democratic society in the country.

Second Installment - Dec 29

[Gergova] What geopolitical guidelines is Kazakhstan following?

[Nazarbayev] Your question is not so simple. We still have to define precisely some things for ourselves. For 200 years we lived under the Russian tsar and then under the Soviet Government. During this period we almost lost contact with our roots. The Kazakhs are a Turkic nation, but it is disputable whether we belong to the Islamic or Turkic civilization. We share common roots, a common language, and have very good relations with Turkey, Uzbekistan, Turkmenistan, Kurdistan, and Azerbaijan. In Russia the peoples of Bashkortostan, Tatarstan, and Yakutiya have the same roots: They are also Turkic. Yes, we are doing everything that we can to remind ourselves of our history and culture, to draw closer together, and establish economically beneficial trading relations with these countries.

The Kazakhs are Sunni Muslims, so they are bound to the world of Islam. Although this faith is not very strong in Kazakhstan, we are regarded as Muslims. Accordingly, to unite our peoples spiritually, we must gradually, though not necessarily immediately, return to the Islamic sources of our culture.

Geopolitically speaking, we are at the very center of the continent of Asia; China lies on one side, Russia on another, and on the third side is the world of Islam. We have no direct access to sea routes. Therefore, as we develop our economy, we will see how these states behave toward us and will steadily and carefully build up our relations with them. At present, we are not talking about giving priority to any particular countries. We are seeking our own advantage as an independent state.

[Gergova] Among the American, West European, South Korean, Turkish, and other companies that have come into Kazakhstan, Bulgaria does not seem to be noticeable.

[Nazarbayev] We are very well acquainted with Bulgarian President Zhelyu Zhelev, who has visited us. I have an invitation to visit your country and will certainly make this visit, probably next year. My wife and I have visited Bulgaria more than once and we have very good memories and impressions. I hope that Bulgaria and Kazakhstan will re-establish their former relations. Mutual trade used to go very well. Bulgarian tomatoes, wine, canned goods, and light industrial products used to be renowned throughout the country, but they have now disappeared. I am sure that the Bulgarian producers do not want to lose a vast market like Kazakhstan. We are ready to cooperate and our countries have signed the relevant documents. Initiative is what seems to be needed now.

[Gergova] Glavbolgarstroy is our largest state representative. Are there any prospects for the company on Kazakh soil? Will the hospital in Kuzul Orda, for which $26 million is still needed, ever be completed?

[Nazarbayev] Petroleum industry workers from the former USSR started building this hospital. I have been there this year and I was struck by the fact that a huge hotel has been built (it is attached to the hospital) in a sparsely inhabited region in the middle of the steppe. The project should be completed and we will resolve this question.

As for the prospects for construction in Kazakhstan, they are immense. Next year, we will be offering investors very favorable conditions. Any firm that builds housing in Kazakhstan will be exempt from all taxes. Under Kazakh legislation, foreign and domestic companies are treated equally. What is more, we are offering a lengthy "tax holiday" for joint ventures.

In future years we will be moving our capital to the town of Akmola, the former Tselinograd. We have started large-scale construction work there and any Bulgarian company is free to compete in the tenders for this work.

[Gergova] During your youth you were a wrestler. Has the sport taught you to be ambitious, always to advance, and to seek victory?

[Nazarbayev] In principle, life itself is a wrestling match. It is true that at one time I engaged in freestyle wrestling. Look, I even have a memento (he shows me his typical wrestler's ear). Of course, sport does educate, but healthy ambition should be a normal part of everyone's makeup, especially of the young. I have always had this. Now is the time for decisive action, not for only thinking about it. Today, he who thinks too long is lost. Therefore, I try to act in the interest of my people. The president's powers are great and there is much talk about this, but no one talks about how much use I have made of them. I have never used them against the people. In the conditions of chaos, when the people did not understand the essence of democracy, because the only experience that they had was of totalitarianism, we, the state, had to become the guarantor for building a democratic society. I want to give the people freedom, true freedom, a kind in which they will take pride. I want to build a normal state for prosperous people and Kazakhstan has everything needed for this: land, limitless natural wealth, and qualified and industrious people.

Georgia

Defeated Right-Wing Parties Form Coordination Council

AU0201174696 Tbilisi THE GEORGIAN TIMES in Georgian 20-27 Dec 95 p 2

[Unattributed report: "A Step That Should Have Been Taken Earlier"]

[FBIS Translated Text] In the elections of 5 November, it was not only the National-Democratic Party that suffered defeat, but also those parties that emerged from the national-liberation movement. They not only failed to pass the 5-percent barrier, but also did not manage to secure any deputies according to the majority system. They lodged many protests regarding the violations that took place during the elections, and it should be said that these accusations are not without foundation. However, it should also be pointed out that they themselves are largely to blame for remaining outside Parliament. Simple calculations show us that, had they united, they would have managed to cross the 5-percent barrier and we would have then had a completely different Parliament.

The lack of success has forced them to search quickly for ways of drawing closer to another and consultative meetings between them have become more frequent since the elections. Irakli Tsereteli, leader of the National Independent Party, has appeared as one of the initiators of the "unification movement" and an active participant in it.

On 12 December, the third meeting of representatives of political parties and associations from the national-liberation movement was held at which the question of creating a coordination council was discussed. At a news conference held the next day, it was pointed out that the goal of the coordination of right-wing parties was to separate Georgia from Russia's sphere of influence so that it could really become an independent country.

According to Irakli Tsereteli, the western orientation of these parties is expressed in everything and embraces the protection of legislative norms, the transfer to a truly market economy, and the acquirement of Western spiritual values.

Giorgi Khoshtaria, leader of the National Board [darbazi] of Georgia, stated: "I view Russia as my enemy as it has taken Abkhazia and Samachablo [South Ossetia] from Georgia. We have often been made to understand that Georgia will always remain in Ruscia's shadow. This does not suit us. It is precisely this that explains our pro-western orientation and our desire to become part of NATO."

Representatives of the National Independence Party of Georgia, the Merab Kostava Society, the Konstantine Gamsakhurdia Society, the League of Georgian Patriots, "Ertiani Sakartvelo" [United Georgia], the National Board of Georgia, the National Party, the Liberal-Democratic Party, the Abkhazian Resistance Committee, the Conservative-Democratic Party of Georgia, the "Ena, Mamuli, Sartsmunebis" [Language, Motherland, Faith] association, the Party of Nationalists of Georgia, and also the National-Democratic Party and the "Sitsotskhlisatvis" [For Life] movement took part in the meeting.

Despite being invited, the Union of Traditionalists and the Republican Party declined to join the association. Several political forces were also invited to participate in the work of the Coordination Council, namely the Party of National Integrity of Georgia, the Christian-Democratic Union, the Union of Socialist Justice, and the Social-Democratic Party. However, the latter two parties, as a rule, should have nothing to do with the association of right-wing parties.

The Coordination Council is an intermediary component that should facilitate the convocation of a national congress. The main thing is that the national parties that have been left outside Parliament should contest the next elections according to a single party list.

Commentary Assesses Appointment of New Ministers

AU0201125596 Tbilisi THE GEORGIAN TIMES in Georgian 20-27 Dec 95 pp 1, 2

[Unattributed commentary: "Toward New Aims With the Old Team"]

[FBIS Translated Text] The candidates for the 18 ministerial posts submitted to Parliament by the Georgian president contain few new names. Fourteen of them held the same posts in the former government or other leading positions in the Cabinet of Ministers. The president, who is the head of executive power, is forming his "own team" and believes that the selected candidates represent the best possible option.

However, for many, the new government team contained a few surprises. The most significant was the replacement of the experienced diplomat Aleksandre Chikvaidze by Irakli Menagharishvili as minister of foreign affairs. It is true that the latter has recently held the high-ranking post of deputy prime minister, but he was educated as a chemist and his activities have never brought him into contact with the sphere of foreign policy. Some people believe Shevardnadze has made a mistake in taking this step while others view it as a logical progression; the president has his own concept of foreign policy that needs to be implemented by someone good. Menagharishvili has the reputation of being a clever and energetic organizer. Perhaps we should recall that Eduard Shevardnadze himself did not have any "diplomatic experience" when he became USSR foreign minister in his time.

No one was surprised to see Internal Affairs Ministers Shota Kviraia in the new Cabinet of Ministers, but his appointment as minister of security was, to a certain degree, unexpected. Following the terrorist act committed against Eduard Shevardnadze on 29 August, the minister of internal affairs was one of Eduard Shevardnadze's principal supports. In particular, it was thanks to him that former Security Chief Igor Giorgadze was exposed and several terrorist acts were solved. The appointment of Shota Kviraia as minister of security is a continuation of the policy of establishing the order desired by the authorities in that power structure. He has promised parliamentarians that the Security Service will no longer be the source of security for the country.

Kviraia's transfer from one ministry to another has resulted in the promotion of his deputy, Maj. Gen. Kakha Targamadze, to minister of internal affairs; he is a new face in the Cabinet of Ministers. Kakha Targamadze took an active part in resolving the terrorist acts after 29 August and, as such, is a loyal person of proven ability for both Kviraia and the president.

It is worth mentioning another significant point. According to the established "tradition" in the Soviet reality of old, there used to exist a certain opposition and rivalry between the Security Service and the Ministry of Internal Affairs. Now that the two departments are headed by persons who have worked well together and who support Shevardnadze, an end has probably been put to the confrontation between these two power structures.

As regards the third power structure that has particular importance for the country's sovereignty and the protection of its territorial integrity — the Armed Forces, there have been no changes in its leadership. Both the president and Parliament have expressed their faith in Defense Minister Vardiko Nadibaidze.

Lt. Gen. Vardiko Nadibaidze's military career is connected with the Soviet Army and, in particular, the Transcaucasian Military District. He was in charge of this district's transport service between 1986 and 1992 and was deputy district commander between 1992 and 1994. It was in April 1994 that he left this post to become Georgian minister of defense (previously held by Tengiz Kitovani and Giorgi Qarqarashvili).

Many accuse Nadibaidze of conducting an antinational and pro- Russian policy. In particular, such an accusation was leveled against the defense minister by Gia Chanturia, leader of the National-Democratic Party, in a letter addressed to the head of state just before his death. Nadibaidze has a poor command of Georgian and, consequently, he made a promise to parliamentarians in Russian that he would not "put our Georgia to shame."

In addition to the selection of the foreign and internal affairs ministers and the heads of the power structures, two other ministers whose direct mission is to implement the policy of economic reforms were approved at the session of Parliament on 15 December. These were Finance Minister Davit Iakobidze and Economy Minister Vladimer Papava. The latter is the principal architect of the economic platform of the Union of Georgia's Citizens and it is precisely he who will have to keep the main promise made to citizens, namely the creation of one million jobs in the next few years.

As regards Davit Iakobidze, his signature appears on the Georgian national currency and the department entrusted to him has become even stronger following the inclusion of the taxation and customs services under its jurisdiction.

Parliamentarians will continue to approve the Cabinet of Ministers this week. The new structure of executive power envisages a radical restructuring of the economy, which should result in a complete upswing in the economy, the implementation of reforms in all spheres of life, and the provision of prosperity for people.

Opponents of the current authorities doubt that corruption and the mafia structures will be defeated and that an aspiration toward genuine reform will be established. They believe that neither the structure of executive power nor the part of the leadership that has been chosen are suitable to do this. However, the president is convinced he has made the right choice and will be able to achieve the set aims with the old team that now incorporates new members.

There will be a multitude of new promises. The near future will show us if and how they will be implemented.

Security Ministry Exposes Fraud, Torture

LD2912212995 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 29 Dec 95

[FBIS Translated Text] Here is a statement by the Collegium of the Georgian Ministry of State Security, which we received from CONTACT.

The collegium of the former Georgian Security Service made a statement on 26 June 1995, in which it regarded as unacceptable the critical attitude of the authorities and society toward the activities of the service, and threatened to use the right to take lawful actions with the help of a special armed unit in case the attitude was maintained. Further developments revealed the real author of that irresponsible statement. It was a personal statement by Igor Giorgadze. The special service chief, known as the Commodore, threatened to take lawful actions. Only after the 29 August terrorist act it became clear what he meant under lawful actions — the unlawful commercial activity, a close union with the Mafia and the Mkhedrioni, a series of terrorist acts, and eventually a coup d'etat by means of assassinating the head of state.

Temur Khachishvili, former deputy head of the Security Service; Papuashvili, head of Giorgadze's personal guard and commander of the Alpha special purpose unit; Basashvili, the deputy commander of the Alpha unit; Papukashvili, head of an Alpha subunit; Kvezereli, commander of the Omega special purpose unit; Gogitishvili, the head of an Omega subunit; and an Omega member Gogitidze are in preliminary detention in connection with the terrorist act. Igor Giorgadze, presently at large, exposed his own image and political aims himself. Although we possessed information in the past, it has been proved now that Giorgadze slandered the head of state, president, and other representatives of the authorities.

The investigation is confirming that the Mafia's orders were executed by Igor Giorgadze. To satisfy the personal interests of Giga Gelashvili [head of Mkhedrioni] and others, he used the special purpose units to arrest 18 citizens unlawfully, without any operative reports or appropriate warrants, and handed them over to the Mkhedrioni. Three of those — Givi Merabishvili, Shalva Kobidze, and Besik Tsikhishvili — were tortured to death. Others sustained bodily harm of various degrees. In this case, the Mkhedrioni's and Giorgadze's wrath was directed against the Georgian national arm wrestling team and resulted in executing the lynch law against many outstanding sportsmen.

The operative service was ignored under Giorgadze's leadership. Chaos and abandon reigned in the financial and economic sphere of the service — fundamental requirements of financial inventory were not complied with.

Financial machinations have been exposed now. In particular, illegal commercial transactions with regard to gasoline. Gasoline supplied to the Georgian Security Service from Azerbaijan was later sold at higher prices in a neighboring country. Along with concealing its incomes from the state, the broker, that is the Security Service, was creating a seat of political complications.

During that period, after an inspection carried out by the Control Chamber, the Security Service was ordered to pay into the budget 1.3 lari. This sum, however, may be considered as nothing compared to the sums deposited to a number of accounts in Lloyds Bank in Britain and Credite Suiss in Switzerland as a result of these activities. A criminal case has been instituted in connection with the gasoline and cigarette Mafia. Giorgadze's right arm, Mirianshvili, the former head of the Economic Department of the Security Service, has been arrested for misappropriating particularly large amounts of state funds.

At present, by the order of the Minister of State Security, inventory of valuables and arms as well as inspection of financial documents is being carried out. An investigation team, together with the Georgian Prosecutor's Office, will expose the financial and commercial activities of the former Security Service.

The fact that the service has no normal conditions for operative activities, that the operative service lacks appropriate equipment, and that the staff enjoys no social security makes it clear what purposes the unlawfully received sums were spent for. No attention was paid to the adequate selection of the staff. This diminished the professional level of the service.

Complete chaos reigned in armed units. There was no appropriate control or inventory of armaments and other military material.

The Georgian Ministry of State Security started the process of reorganization and staff cleansing against the background of such grave legacy. This means a strict selection of selfless and devoted staff and reinforcement of operative activities. The service of danger must turn into an agency that guarantees the security of the state.

The Collegium of the Ministry of State Security is authorized to state that the special service will perfect its image in the near future and will become a true guarantor of the security for the president, the authorities, and the population of Georgia.

Estonia

President Meri Gives New Years Address

LD0101095896 Tallinn Estonian Television Network in Estonian 2150 GMT 31 Dec 95

[New Years speech by President Lennart Meri in Tallinn on 31 December — recorded]

[FBIS Translated Text] Dear compatriots in Estonia and abroad!

On the last day of the outgoing year, I browsed through the three previous New Year speeches. To my surprise I found that in all three I have repeated the question: Where do we come from and where are we going to? Answers to this question had different emphases. Today I will not repeat this question. In one way or another, you yourself have found answers to it. Even when the question has not been formulated.

Do you recall that in 1995 Estonia has had three governments? If you do not, there is nothing bad about it. Maybe it is even good. In a parliamentary democracy, the change of governments reflects the change of preferences of the citizens of the state — the will of the people, in other words. The scheduled elections of the eighth Riigikogu and the preceding and following changes of government are the expression of your will — so natural by now that it is hardly worth mentioning. However, one should mention the most important conclusion: The Constitution of the Republic of Estonia has stood up to the test of time; it has started to work better than other laws. This sentence might evoke questions. If the Constitution works, what does it produce? What is its output worth? Who is the consumer of this output and who keeps its revenue? I answer your question: The Constitution produces stability. The value of it is the value of life.

The majority of people speak about the outgoing year as about the first year of economic upturn. Currently we can hardly feel it in our pockets. Compared to the previous year, this year, inflation has slowed down. Prices and rents have risen less, but have still risen.

The year has brought about crises which, for some reason, have here been called scandals. This is not the time to discuss the tinkering with language or that the word, scandal, is putting a crisis at par with a mere family row. In a state, things should be called by their proper names. We have had crises, but also solutions to them worthy of a law-governed state.

This is the reality of the year 1995, one of the two sides of a coin.

The well-being of the Estonian state and its citizens are also two sides of a coin. The Estonian state cannot do better than you, its citizens, nor can the opposite be true. We can be together and successful in planning our further steps only if we are knowledgeable and honest about our possibilities, if we value the interests of our nation and state above the private interests of our networks or parties.

What will the coming year bring?

For the fourth time you are waiting for my answer to the eternal New-Year's-Eve question.

For 1993 I warned you that we had to prepare for a long distance run and not to be beckoned by a fast spurt.

For 1994 I promised that foreign troops will leave Estonia.

For 1995 I predicted new hotbeds of tension, disappointments in effectiveness of international organizations and dramatic changes in current boundaries of power.

In 1996 I hope to see that the self-purification, which I spoke about on the television, will acquire a central position in the law-governed state. This concerns us all and should be manifested in a higher level of responsibility. The press has learned to analyze and to question. A citizen knows how to make demands of an official. Shady things start ending up in courts. Every state official and every citizen must understand that bigger powers go hand in hand with bigger responsibilities. We have to be clear that a law-governed state has the responsibility to defend the law-governed state and the Constitution. We must call things by their proper names and ask whether there is terrorism in Estonia. In France, in the homeland of the declaration of human rights, seven people were killed in terrorist explosions and five hundred people are under preliminary investigation since summer. A law-governed state should govern the streets, or else, the streets will govern the law-governed state. There cannot be any compromises.

As a state, we are still in the voice-breaking age. We should learn to behave like a state. We should think with million heads, but speak with one voice. This requires discipline and responsibility even from the highest state officials. Unfortunately, we learn slowly, lazily, and unwillingly. We have spent dangerously too much time with the implementation of the land reform. If land does not have an owner, both past and future reforms would be suspended in the air. This would reduce international trust in the Republic of Estonia, would slow down the process of us becoming a member of the European Union, and would create a nostalgic desire to isolate ourselves. Becoming aware of these and other dangers is the order of the day for the coming year. It will be a harsh year for Estonia if we were to rest on past achievements. Therefore, let us now give the right pace and direction to the coming year: Let it be a year of self-purification and clarification.

For this, dear compatriots, I wish you all, from snowy Kadriorg, the belief in ourselves, the feeling of responsibility, and the best of luck and a happy New Year.

Premier Vahi Looks Back on 1995

LD3012124695 Tallinn Radio Tallinn Network in Estonian 1100 GMT 30 Dec 95

[FBIS Translated Excerpt] To conclude our program, here are two further opinions about the passing year. [passage omitted: ex-prime minister's opinion] And we will conclude with the opinion of Prime Minister Tiit Vahi.

[Begin Vahi recording] I think Estonia's development was successful because economic production increased, inflation fell, the decline in industrial production was halted and was replaced with a small increase. One could say that 1995 was the first year since we regained independence that the Estonian people's average incomes increased in real terms.

The passing year was also successful in terms of foreign policy. I think the most important events were definitely the signing of the association agreement with the European Union [EU] in Luxembourg, the ratification of this agreement by the Estonian Riigikogu [parliament] on 1 August, and of course, the drawing up of an application for full EU membership and handing it over to the EU.

I would also include among the successful events the ratification of the July agreements [with Russia], although I am aware that on this issue the people of Estonia hold varying views, and even I personally fail to see that their texts are of the best kind. However, being a small state Estonia must be trustworthy; these agreements were reached 18 months ago, so the Estonian state has to decide what to do, to ratify or not to ratify, and if we were not to ratify we would be refusing to recognize our president's signature. [end recording] [passage omitted]

SONUMILEHT Interviews Premier on New Year

WS0201100696 Tallinn ETA in English 0744 GMT 2 Jan 96

[From 30 December, SONUMILEHT, pp 4-5 ; "News Bulletin" No. 1/96]

[FBIS Transcribed Text] Prime Minister Tiit Vahi was optimistic about Estonia's economy in his address to the nation. The state took care for those in need and helped them to overcome the worst problems, Vahi declared in his statement. He described the state of economy as making definite progress.

The premier enlarged upon that in his new year interview to the SONUMILEHT. All economic indicators have improved during 1995 and the Statistical Office registered real growth of the economy for the first time. The industrial decline has been stopped as well and a small growth was observed, the premier went on. Vahi added that the national currency has remained stable, as well as the balance of payments and the banking business.

He also stressed the important foreign political moves made in the year - the signing of the association agreement with the EU and the submission of the appeal for full membership of the EU, the ratification of the July agreements with Russia. But Vahi also criticised certain inefficiency of the Foreign Ministry, especially in its failure to appoint a new ambassador to London.

A large part of Vahi's interview was dedicated to the power struggle within the parliament and the coalition and the resignation of the Centre Party from the coalition. He mentioned personal relations, lack of trust and massive attack of the opposition as the reasons why the first coalition fell apart and described the resulting coalition with the Reform Party as the "optimum but by no means the only possible solution." The premier described the Centre faction of Riigikogu as neutral while placing the Fatherland Union, the Right-Wing, the Moderates and part of the Reform Party into the opposition.

Premier Downplays Differences Within Coalition

LD3012111795 Tallinn Radio Tallinn Network in Estonian 2000 GMT 29 Dec 95

[FBIS Translated Text] Prime Minister Tiit Vahi stated on 29 December that his government was going strong and staying together despite criticism from the Reform Party. Vahi said that the government's staying power depended on its partners' wish to cooperate. In Vahi's opinion cooperation has been very good so far with the Rural People's and Pensioners' and Families' Alliance. According to Vahi, more time is needed for smoother relations with the Reform Party as it joined the government coalition only six weeks ago.

Vahi predicts that the current Riigikogu will stay in power until the next scheduled elections. According to Vahi, the criticism from the Reform Party on 28 December was caused by the fact that the party leaders were misinformed.

Foreign Minister Supports Referendum on Joining EU

WS0201152596 Tallinn BNS in English
1048 GMT 2 Jan 96

[FBIS Transcribed Text] Tallinn, Jan 2, BNS — Estonia should ask its people in a referendum whether or not to join the European Union, Foreign Minister Siim Kallas said in a radio broadcast on Sunday.

"If the issue of EU membership comes into question, then I, at least, will present the standpoint that there must be a referendum," Kallas said when answering questions by the listeners of KUKU Radio.

European Affairs Minister Endel Lippmaa has earlier said he is opposed to a EU referendum and that the matter should be decided by parliament.

This, along with other differences between Kallas and Lippmaa has led to reports that Kallas is seeking Lippmaa's resignation.

"To exist in the West's sphere of influence and not to be member of the EU takes that one must have a very strong economic basis, which would allow to exist without access to the European market," Kallas said.

The foreign minister warned that staying outside the European Union would mean being barred from decisions that already affect Estonia. "The alternative would be that we don't want to decide anything, that we don't want to have a say in establishing the norms which already now are actually regulating our lives," Kallas said.

Part of the same alternative would be membership in the CIS and working for the market to the east of Estonia. Kallas said Estonia's experience from being part of that economic sphere showed that it would cause retardation of the development of productive forces.

Estonia handed in its application for EU membership in December. As the first nation in Central and Eastern Europe, Estonia was granted an associate member's status in the union without a transition period.

Latvia

Premier Views Economy in New Year's Address

LD0101112496 Moscow ITAR-TASS in English
1110 GMT 1 Jan 96

[By Galina Kuchina]

[FBIS Transcribed Text] Riga, January 1 (Itar-Tass) — Andris Skele, head of the country's newly-formed government, said that the situation in Latvia was much worse than most of the society could imagine. He said in a New Year's nationwide address that the government would present a report on the economic situation soon but it was already clear that a lot of social problems would not find solutions because of the too thin treasury.

The premier said that he did not want to spoil the festive mood of the people, but had to tell the bitter truth.

According to Skele, reducing the budget deficit will be the most difficult problem.

The premier noted that it was necessary to support domestic producers and to create favourable conditions for the economic development and for attracting foreign investments. The money of investors is a guarantee for Latvia's security and development and the only chance to overcome the poverty and backwardness, he said.

Favourable economic conditions will allow Latvia to use best its geographic position and successfully compete with neigbouring countries, the premier added.

Riga To Ask Russia To Explain Chechen Claim

LD3112183095 Riga Radio Riga Network in Latvian
1001 GMT 31 Dec 95

[FBIS Translated Text] The Latvian Foreign Ministry will ask Russia for additional information about and explanation of statements by the Chechen leader Doku Zavgayev. According to him, Latvians are taking part in military operations in Chechnya. Zavgayev has recently stated that persons from Latvia were also among the people arrested in Chechnya for perpetrating terrorist acts. Representatives of the Latvian Foreign Ministry have denied that they have anything to do with possible mercenaries from our country. The Foreign Ministry also stresses that it is against the use of force to tackle the conflict.

Finance Minister on Budget Issues

LD0201220996 Riga Radio Riga Network in Latvian
2100 GMT 2 Jan 96

[FBIS Translated Excerpt] At the government session today, ministers began discussing the 1996 budget, which is due to be reviewed by the Saeima at the beginning of February. After the government session, Minister of Finance Aivars Kreituss made this comment on the draft budget:

[Begin Kreituss recording] The basic state budget, the local government budget and the special budget amount together to 975 million lats, which is quite impressive (?for other countries), considering that just two years ago it was about 200 million lats less. Well, as I mentioned, there are pessimistic and optimistic prognoses for the budget. Therefore let's not just fall in with the optimism, let's work with the pessimistic prognosis, and if we have a revenue that is quite small, we will be working with a budget deficit of 87 million lats, and arising from that we had some discussions, and I have had normal working discussions with the ministers, and I think that with such a budget cut, with a deficit like that, then the next (?goal is) — and it will be the job of the State Revenue Service — to increase the opportunities for revenue [sentence as heard. To increase the budget revenue — that will be the main task after that. What chance we will get — perhaps a bit more than the pessimistic edition of the budget would have it at present. [end recording] [passage omitted]

Lithuania

President Brazauskas Delivers New Year Address

LD0101141296 Vilnius Radio Vilnius Network in Lithuanian 2155 GMT 31 Dec 95

[New Year address by President Algirdas Brazauskas in Vilnius — live]

[FBIS Translated Text] My dear compatriots! The year 1995 is about to vanish into the past and into history. It was [words indistinct] and significant for everyone of us — for the nation, for the state, and for all of its citizens. [words indistinct] Now, at this moment, we, as always, are waving our sad, hopeful, and joyful goodbye to 1995.

The year 1995 was the year of the further building and strengthening of our democratic state. The year was hard, diverse, full of strong tension, intense struggle, and different and mutually incompatible opinions — the abundance of which we are finally getting used to.

It was the year of further integration into the West and the year of (?naturally) joining Europe. It was the year when a number of social and economic tasks had to be completed. [passage indistinct]

We can see that it is very difficult to cure new wounds all at once and to overcome new obstacles. For this, we need a good will, strong determination, and the agreement of everyone. It is plain to see that this can be done only in a manner that is civilized and acceptable to a democratic society. We have one big home — our motherland — under one roof and with one fire in the fireplace. That is why we have to be one big family, living in harmony, which stands united and, by employing state and community measures and free speech, fights against ignoring the law, [word indistinct], organized crime, corruption, moral decline, cheating on the state, and other evil matters.

We should be brought closer to each other by the love of our neighbor, by a Christian feeling of sympathy, by the tears of the orphans, by the misfortunate, and by those who have been hurt. We have to be brought together and united by humanity. A humane attitude has to be placed above [word indistinct] and social differences. It [the humane attitude] needs a bright determination, because violence and injustice (?looks for) darkness, intolerance, and alienation. That is why we have to face such a painful meeting with our own conscience.

Our duty is not to build walls around ourselves. Brotherhood and human and civil solidarity is needed, for the responsibility of the state institutions is caused by the criminal offenses that are becoming more and more cruel and brutal. The criminals are challenging us in an increasingly impudent manner, they are employing open terror, which is threatening all of us.

Let us believe that these attempts are doomed to fail. The state must, and is ready to protect the rights, freedoms, and security of all its citizens, as well as the good name of our motherland, the image of a democratic country in our own eyes and in the eyes of the international community.

Let me extend my sincere greetings to you, my dear ones, in these last minutes of the year 1995. I wish you good health and very best luck. May you, your families, your homes, and your near and dear ones, all our friends be in a bright and undisturbed spirit, have best hopes for the future, be happy and joyful. Happy New Year!

Seimas Adopts Decision on Banking Crisis

LD3012121095 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 30 Dec 95

[FBIS Translated Excerpt] A long-debated resolution on urgent measures to solve problems in the banking system was adopted by the Lithuanian Seimas [parliament] late on Friday afternoon. The resolution proposed that the Bank of Lithuania and the government immediately prepare and implement specific measures with regard to the future operation of the Lithuanian Joint-Stock Innovation Bank, the Litimpeks Bank, the Vakaru Bank, and the Aurabankas and the security of deposits by private individuals and enterprises at the above banks, ELTA news agency reported.

They were also instructed to prepare proposals by 8 January concerning amendments to the law on compulsory insurance of private people's deposits at commercial banks and the Lithuanian Bank. The draft amendment should also guarantee higher financial and legal responsibility by shareholders, the members of shareholders councils, and boards of directors, the bank officials granting credits, and the persons receiving credits.

The resolution requests that by 1 March 1996 the government must prepare and present to the Seimas a future program for the control and restructuring of commercial banks in which the state will have more than 51 percent of shares. By 8 January the government must prepare a draft law concerning the transfer of government deposits at the Aurabankas and the Vakaru Bank into the capital of these banks and at the same time increase the share of the state capital at these banks.

Proposals concerning procedures for salary payments to the heads of commercial banks must be prepared by 8 January.

The prosecutor general, the director of the security department, and the interior minister were instructed to inform the Lithuanian Seimas no later than 20 January about the steps taken to retrieve unpaid credits at the above banks, including the seizure of property owned by the debtors. They are also instructed to name those responsible for the present crisis in the banking system and institute criminal proceedings against them.

The Lithuanian Seimas approved a proposal that an international audit be carried out at the Joint-Stock Innovation Bank and the Litimpeks Bank. [passage omitted: amendments to laws regulating specific areas of banking business]

Prime Minister Denies Intention To Resign

LD0301120596 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 3 Jan 96

[FBIS Translated Excerpt] Speaking live on a Lithuanian radio program "Aktualiju Studija," Prime Minister Adolfas Slezevicius concentrated mainly on problems in the banking system. Here is Slezevicius.

[Begin Slezevicius recording] We must do everything in order that reimbursement of people's deposits in the banks operating on licences granted by the state are effected. We have proposed to the Seimas to allot funds for this purpose. At the moment there is not enough money for this allotted by the Seimas budget law. However, reimbursement of deposits including those from all the bankrupt banks would be carried out. The decisions adopted by the Lithuanian Seimas earlier and shortly before the New Year, allow us to fully guarantee the safety of deposits at all Lithuanian banks.

It is of the greatest importance that the people of Lithuania regain their confidence in the Lithuanian banking system. [passage omitted]

The question arises why such attention is being paid to the two troubled banks. The explanation is very simple: Because these two comprise more than one fifth of the Lithuanian banking system.

Once again I would like to assure you that rumors that are being spread saying that because of the banking crisis it is necessary to devalue the litas are completely unfounded. These processes have absolutely nothing to do with each other because the exchange rate of the litas against the dollar is guaranteed by our gold and hard currency reserves. We have more than enough of these reserves in order to guarantee a firm exchange rate of our currency. I think that the stability of our currency is above any discussion. [passage omitted]

Now I would like to talk about the withdrawal of my savings from my personal account at the Lithuanian Joint-Stock Innovation Bank, which has of late been widely discussed.

On this specific occasion it would not have mattered what decision I took, I would have been blamed all the same. Let us assume that I left my deposit at the bank, then I would have been blamed for all the efforts to rescue the bank because I was rescuing my own money.

I want to say this: Both the Lithuanian Joint-Stock Innovation Bank and the Litimpeks bank will be rescued regardless of some people's personal interests. I am sure that after we have implemented the above Seimas decisions, people and enterprises will be able, in the near future, to have free access to their deposits at these banks. [passage omitted]

At this especially difficult moment to the state some would want me to resign from the post of chairman of the ruling party and as head of the government. However, this step cannot be regarded as my personal problem alone. On this occasion I appeal to the party comrades. We can all see how consistently our opponents are trying to split our ranks and to set us against each other, thus ousting the party from the political scene.

I, as chairman of the party and the leader of the government, am firmly convinced that we will overcome the difficulties that had been created artificially and which had occurred naturally this time as well.

Therefore I invite you to close the ranks for serious and rallied work. [end recording]

Call For Government Reorganization

LD0201165996 Moscow INTERFAX in English 1542 GMT 2 Jan 96

[FBIS Transcribed Text] VILNIUS, Jan 2 (Interfax) - Vytautas Landsbergis, the leader of the right-wing opposition in the Seimas (parliament), believes that the government should not escape responsibility for the banking crisis. He said in a statement made public in Vilnius Tuesday that the government has no moral right to run the country and should be reorganized, starting with replacement of the premier.

Landsbergis says that the banking crisis is the outcome of the government's corrupt clannish policy in which high officials pursue their personal and group ambitions.

President Algirdas Brazauskas held a meeting Tuesday attended by the prime minister, Bank of Lithuania's governor, interior minister, the prosecutor general and the State Security Department director to discuss the new legislation passed by the Seimas on December 29 to deal with the banking problems.

Foreign Minister Previews Aims of Talks With Russia

LD0201154296 Moscow INTERFAX in English 1517 GMT 2 Jan 96

[FBIS Transcribed Text] VILNIUS, Jan 2 (Interfax) — At the talks between the Russian and Lithuanian commissions, scheduled for January, Vilnius is mainly interested in discussing the establishment of the state border, Lithuanian Foreign Minister Povilas Gylys, head of the Lithuanian delegation at the talks, told Interfax Tuesday.

The Russian commission is headed by Deputy Prime Minister Aleksey Bolshakov.

Gylys believes that in addition to border issues, it is necessary to discuss the return to Lithuanians of their deposits in the former Lithuanian branch of the Soviet Vnesheconombank, as well as the return to Lithuania of the premises of its diplomatic missions in Paris and Rome, which are still occupied by the Russian side.

"Russia remains one of the most important partners for Lithuania, that is why Vilnius is interested in preserving the calm and business nature of the bilateral relations," said Gylys.

He described further integration of Lithuania in the European Union as a priority of his country's foreign policy in 1996. Gylys said that much attention will also be paid to the development of cooperation with other international institutions.

However, joining NATO remains Lithuania's strategic goal, he said. That is why the Foreign Ministry will work to broaden Lithuania's participation in the Partnership For Peace program and in peace implementation in former Yugoslavia, as well as in other measures which accelerate Lithuania's integration in the European collective security institutions, said Gylys.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.